

INDUSTRIALISING INDIA'S NORTH-EASTERN REGION

A Study of District Industries Centres

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FOREWORD

The present study is an attempt to evaluate the working of the District Industries Centres Programme in the States of West Bengal, Assam, Mizoram, Sikkim, Tripura, Nagaland, Manipur, Arunachal Pradesh and the Union Territory of Andaman & Nicobar. This study has been sponsored by the Development Commissioner (Small Scale Industries), Ministry of Industry, Government of India. We would like to place on record our appreciation for the financial support to carry out this evaluation. Also our thanks are due to Shri Raj Kumar, Director (DIC) and various officials of the DIC's Directorates of Industries and financial institutions of various states who provided valuable information.

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CHAPTER 1

BACKGROUND, OBJECTIVES AND THE DESIGN OF THE STUDY

1.1 Background of District Industries Centres Programme

District Industries Centres (DICs) Programme was initiated in 1978-79 as a centrally sponsored scheme to provide all the services and support to small scale entrepreneurs under a single roof for promoting village and small scale industry in rural areas and small towns of the country. These centres have been set up for every district of the country except the four metropolitan cities and Lakshadweep which are outside the scope of this programme. The DICs are required to undertake economic investigation of the potential for development of the respective districts including its raw materials and other resources, supplies of machinery and equipment, provision of raw materials, arranging credit and marketing facilities, research and extension work and entrepreneurial training. These centres are also expected to develop close linkages with various specialised and developmental institutions so as to ensure efficient operation of industries.

The DICs were originally envisaged to have a General Manager supported by seven functional managers. However, the original organisational structure of the DICs has since been modified. According to the new set up, each DIC is to have a general manager and four functional managers out of whom three functional managers would under the mandate be entrusted with the work of economic investigation, credit, and village industries respectively. In respect of the fourth functional manager, freedom is however given to the State governments to choose from any of the areas such as raw materials, marketing, training information, and infrastructure depending upon the specific requirement of the concerned district.

In addition, three project managers could be appointed in areas suiting the needs of a particular district.

As already mentioned while DIC is a centrally sponsored programme of the government, the responsibility of the implementation of the scheme is with the respective State governments. To begin with when the DICs programme was initiated the pattern of Central assistance envisaged was to provide a non-recurring grant of Rs 5 lakhs per DIC for the construction of office building, purchase of furniture and other office equipment including vehicles. The recurring grant for establishment expenditure was given to the extent of 75 per cent of the actual expenditure incurred with a ceiling of Rs 3.5 lakhs per DIC. This pattern has now been revised and under the new pattern the Central and State governments share expenditure on a 50:50 basis on each financial component of the programme including recurring establishment grant, grant for incentives and promotional schemes. The ceiling of the Central assistance is now fixed at Rs 3 lakhs per DIC both in respect of recurring and non-recurring grants.

1.2 Need for Evaluation

At present there are 421 DICs working in different districts of the country and some of them were set up as early as 1978. In view of the fact that this programme has been in operation for almost a decade, the Development Commissioner (Small Scale Industry) felt the need for undertaking an evaluation of this programme. Therefore, in 1987, the DIC wing in the office of the Development Commissioner approached a number of academic and research institutions to undertake a joint evaluation of the programme in a number of selected districts. The Institute of Economic Growth was assigned the work of evaluating the DIC programme in the north-eastern part of the country including the States of West Bengal and Assam and Union Territory of Andaman and Nicobar. The number of DICs to be covered in each State by the Institute of Economic Growth is given below:

<u>Name of the State</u>	<u>Number of DIC's</u>
West Bengal	2
Assam	2
Manipur	1
Nagaland	1
Tripura	1
Arunachal Pradesh	1
Mizoram	1
Andaman & Nicobar	1

1.3 Objectives of the Study

The following are the objectives, terms and conditions of the evaluation study as specified by the Development Commissioner (SSI), Government of India vide their letter No. DIC/1(8)/86 dated September 25, 1987.

1. To study the organisational, promotional and administrative infrastructure with special reference to internal control system and procedures, educate all extension and other staff.
2. To study the extent to which the DIC programmes have been able to provide under one roof the services and support needed by small and village entrepreneurs.
3. To assess the views of the artisans and entrepreneurs about working of DICs.
4. To examine the linkage of DIC with poverty alleviation and beneficiary oriented programmes like IRDP, TRYSEM and nature and type of DIC projects assisted.
5. To study the impact of the DIC programme on employment of small and village entrepreneurs and also with reference to SEEU scheme.
6. To identify the bottlenecks/shortcomings in the existing functioning of DIC programme. In the light of the above improvements to be suggested to make the programme more effective.
7. To study the extent of collaboration and support as expected by DICs from Organisations like SIDO, NSIC, KVIC, Handloom, Handicrafts, etc.

8. To study the impact of loans from seed/margin money given under DIC scheme.

1.4 Study Design and Selection of the Sample

In order to carry out the evaluating study in the eleven sample District Industries Centres, a set of three questionnaires were devised for obtaining the necessary responses from the field. The first questionnaire meant for enterprises was used to obtain information from the beneficiary and non-beneficiary entrepreneurs in each of the selected district. These questionnaires were filled through personal interviews. The second questionnaire meant for General Manager was sent in advance by postal mail to enable the General Managers to keep the required information ready prior to their being personally interviewed. The third questionnaire regarding rejected applications was sent by postal mail to all the selected DICs to furnish the required information. Since no satisfactory response was obtained in respect of the third questionnaire on rejected applications, it was decided to drop the analysis in this respect.

So far as the selection of the sample District Industries Centres from the assigned States is concerned, it was done in consultation with the Director (District Industries Centres Programme) in the office of the Development Commissioner (SSI). It was however ensured that the selected district was not the same as the one taken up by the Planning Commission in its parallel evaluation of the DIC Programme in the country. Also in the selection of the sample district due consideration was given to the type or category a particular district belonged, namely, (i) category A districts (those districts which did not have any large or medium scale industry as per the DICs action plan 1979-80 and hilly remote inaccessable district), (ii) category B districts (districts or areas eligible for Central investment subsidy even prior to 1.4.1983 that is with effect from 1.10.1970 excluding those covered by category A) and (iii) category C districts

(districts/areas which were prior to 1.4.1983 eligible to concessional finance only except those included category A and category B with effect from 1.4.1983).

The eleven districts selected for evaluation by the Institute of Economic Growth in consultation with the DIC Office are Dhubri and Nagaon (Assam), Ukhrul (Manipur), Tuensang (Nagaland), Jorhang (South district of Sikkim), Tripura West (Tripura), Burdwan and Midnapur (West Bengal), West Kameng (Arunachal Pradesh), Aizwal (Mizoram), and Andaman (Andaman and Nicobar Islands).

From each sample District we selected purposely about forty units comprising of about thirty five beneficiary units of the DIC programme and five non-beneficiary units. The selection of the units was done in consultation with the personnel of the respective DIC by giving due consideration to the type of industrial activity that each unit was engaged in as well as its geographical location. In addition such factors as the size of employment, investment and the year of establishment were also considered in selecting the sample units within each sample DIC. The percentage distribution of units selected under various industrial categories is shown below.

Percentage Distribution of Sample Units

<u>Industry</u>	<u>(%)</u>
Agro based	24.4
Forest based	12.9
Animal husbandry based	2.1
Textile based	12.4
Chemical based	4.6
Engineering and allied industries	22.8
Building material and ceramic based	2.8
Miscellaneous	18.0
TOTAL	100.0

The field work especially in the north-eastern region proved extremely difficult and time consuming. Our investigators had to make more than one trip to these centres because of the unsettled conditions in the region. Language was another barrier to expeditious completion of the field work. Also many of the units were located in areas which were quite inaccessible and our investigators had to walk long distances to collect information. Despite these problems and difficulties our investigators have done a very creditable work in gathering information. In carrying out the field work, we received excellent cooperation from the staff of the sample DICs, and we would like to record our deep sense of gratitude to the DIC personnel. Admittedly without their help, our work could not have been completed on time.

1.5 Performance of the DIC Programme In North-Eastern States Vis-a-vis All India

A comparison of the performance of the DIC programme in North-Eastern States vis-a-vis All India would be useful and interesting. Table 1 shows the number of DICs sanctioned. It is seen that in January, 1979, i.e., the first year of operation of the DIC programme there were 263 sanctioned DIC all over the country of which 43 were in the North-Eastern States. The number of sanctioned DICs in North-Eastern States have grown more or less at the same pace as that at the All India level. Consequently, the proportion of sanctioned DIC in North-Eastern States has changed very little over time.

Number of new units established is an important criterion of achievement. Table 2 shows the number of new units established per DIC in North-Eastern States and at All India level for six years 1980-81 through 1985-86. The last column in the table shows the average performance over the six years.

It is seen from Table 2 that the number of new units established per DIC in North-Eastern States has been much fewer than the performance at the All India level. On the average, DICs in

North-eastern States established 217 artisan units (against 686 at All India level) and 112 SSI units (against 210 at All India level). Thus, the total number of new units established per DIC in North-eastern States was 329, while it was 896 at All India level.

The performance of North-eastern States turns out to be more disappointing when West Bengal is separated from the rest. It is seen from Table 2 that West Bengal has made steady progress in terms of the number of new units established. The six-yearly average for West Bengal is by and large comparable to that at the All India level. But, the performance of other North-eastern States has been quite poor in this regard. The number of new units established per DIC has been declining over time. On an average, 100 new artisan units and 75 new SSI units were established per DIC in North-eastern States (excluding West Bengal), which are much lower than the corresponding figures at the All India level.

Table 3 presented statistics on additional employment generated through DIC programme in North-eastern States and at All India level for two years 1984-85 and 1985-86. It is seen from the table that while additional employment generated per DIC was nearly 3000 persons at the All India level, it was 1314 in 1984-85 and 2101 in 1985-86 in North-Eastern States. It is also seen from the table that the performance varies considerably from state to state. The performance of DICs in Tripura and West Bengal has been quite good, while the performance of DICs in Meghalaya, Sikkim and Arunachal Pradesh has been quite poor.

Table 3 also brings out to what extent the benefits of additional employment generation have gone to the weaker sections of the society. Taking the North-eastern States as a whole, the share of SC/ST in additional employment generated or the share of women in additional employment generated in these states is not substantially higher than the corresponding figures at All India level. It is seen, however, that there is considerable variation among States. In this regard, the performance of West Bengal is below the All

India average. But the performance of most other North-eastern States is better than the All India average.

TABLE 1

Number of DICs Approved : All India and North-
Eastern States

Date	All India	North-Eastern States	Column (3) ÷ column (2) (Per cent)
(1)	(2)	(3)	(4)
January 1979	263	43	16.3
December 1979	382	55	14.4
March 1985	397	57	14.4
March 1986	397	57	14.4
December 1986	419	66	15.8

TABLE 2

Number of New Units Established ; All India and North-
Eastern States, Per DIC

	(Number of units)						
	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	Average
All India							
Artisan	547	716	769	692	722	668	686
SSI	186	210	195	190	231	245	210
Total	733	926	964	882	953	913	896
North-Eastern States							
Artisan	146	132	124	165	208	527	217
SSI	106	107	91	97	112	159	112
Total	252	239	215	262	320	686	329
<hr/>							
West Bengal							
Artisan	88	164	222	425	586	1783	545
SSI	154	141	156	195	216	386	208
Total	242	305	378	619	802	2169	753
Other North-Eastern States							
Artisan	177	115	86	73	73	78	100
SSI	81	89	66	63	75	78	75
Total	258	204	152	136	148	156	175

TABLE 3

Additional Employment Generated Through the DIC Programme -
Comparison of North-Eastern States with All India ; 1984-85
and 1985-86

State/Union Territories	Employment Generated per DIC (Number of persons)		Share of SC/ST in employment generated (Per cent)		Share of Women in employment generated (Per cent)	
	1984-85	1985-86	1984-85	1985-86	1984-85	1985-86
Assam	1411	1477	25.5	21.7	16.0	12.9
Manipur	496	894	16.0	18.9	23.6	31.6
Meghalaya	252	417	90.3	84.9	17.1	27.1
Nagaland	726	1066	88.8	89.3	25.8	9.5
Sikkim	123	120	19.5	43.3	20.3	17.5
Tripura	5312	5983	28.3	28.7	19.3	17.9
West Bengal	2090	4428	12.9	14.8	5.8	6.0
A & N Islands	1086	510	0.3	4.9	18.5	8.8
Arunachal Pradesh	262	386	57.6	39.0	17.1	19.6
Mizoram	324	948	90.7	88.0	24.5	28.6

North-Eastern States	1314	2101	26.5	25.4	13.7	11.4
All India	2900	3082	23.5	23.1	10.7	9.0

CHAPTER 2

SURVEY FINDINGS : ENTREPRENEUR QUESTIONNAIRE

This chapter provides a brief description of the salient features of the DIC programme based on a survey of 435 entrepreneurs, comprising of beneficiaries and non-beneficiaries of the DIC Programme in eleven sample DIC's of north-eastern States in the country including the Andaman & Nicobar Islands. First we present a profile of sample enterprises. We then provide brief particulars about the entrepreneurs and General Managers in the sample DICs. Finally, we provide entrepreneurs' evaluation of DIC Programme. In the presentation we group the sample DIC's into four major categories: West Bengal, Assam, North-Eastern States, and Andaman & Nicobar.

2.1 PROFILE OF SAMPLE UNITS

Main Industrial Activity

Table 2.1 gives the distribution of the sample units in various districts according to the type of main industrial activity or product manufactured. The classification has been obtained on the basis of the type of main product produced by the unit. In some cases where a unit is engaged in more than one activity, it is classified by the activity which contributed the largest part of its output. A perusal of this table would show that the four major

activities are (i) Engineering and allied industries, (ii) Agro-based industries (iii) Textile based industries and (iv) Forests based industries. As is to be expected, the more developed districts like Burdwan, Midnapur, and Nagaon have a larger proportion of the engineering and related industries whereas the less developed districts were found to be engaged in agro-based and forest-based type of industries. In our talks with the entrepreneurs it was revealed that the availability of inputs and the size of the market usually determined their choice for a given type of activity.

Type of Organisation (Constitution and Official Status of Sample Units)

Table 2.2 gives distribution of the units according to type of organisation. It would be seen from this table that, except the two districts of West Bengal and to a lesser extent Nagaon (Assam), most units in other sample DICs are run as proprietary concerns. This is true of both beneficiary and non-beneficiary units. In view of the smallness of most sample units, this is not surprising.

The above conclusion is corroborated by Table 2.3 which gives an idea about the official status of the sample units. It would be seen from this table that except units in Aizawl, Ukhrul and Tripura, most units in other districts are registered as small scale units. The picture that emerges is identical for beneficiary and non-beneficiary units.

Time Lag Between the Establishments of Units and the Commencement of Production

Table 2.4 gives the distribution of sample units according to (i) year of establishment and (ii) year when production commenced. It will be seen from this table that, except Nagaon, Tripura and Tuensang, most units were established after 1981. This is true of non-beneficiary units also.

This table also shows that there is no significant time lag between the setting up of a unit and its going into production. This is to be expected since most units in the sample are small and would hardly afford to wait for long periods for the production to commence. This is true of both the beneficiary and non-beneficiary units in all the sample DICs.

The Fuel Used

Table 2.5 gives the distribution of sample units in various DICs according to the type of fuel used. Except Ukhrul, it would be seen that most districts rely largely on electric power. It is however surprising that Midnapur has almost 1/3rd of the units which do not use any fuel and therefore run manually. Ukhrul, Tuensang, Tripura and Aizwal are the other districts where almost 30 per cent to 50 per cent of the units do not use any kind of fuel and perhaps operated manually. Ukhrul seems to be particularly bad in respect of the use of electricity where less than one third of the units are reported to be using electric power. This may be due to inadequate and irregular supply of electric power.

Employment

Table 2.6 gives the distribution of persons employed in different sample districts by family and hired workers. A perusal of this table would show that so far as the managerial positions are concerned they are mostly held by family members. The significant exception being Tripura followed by Burdwan. Another interesting feature revealed by figures in this table is that almost one third of the supervisory staff in Ukhrul and West Kameng consists of women and these are mostly drawn from within the family members. Further, Tripura relies heavily on hired managerial personnel. Also we find that most of the female labour is employed as skilled workers. West Kameng, Dhubri, Ukhrul and Tripura are the major districts which

show larger proportion of female labour when compared to other sample districts. It would be interesting to investigate whether the units which rely largely on hired managerial personnel and female supervisory staff are more efficient than others.

Table 2.7 gives an idea of the average employment per unit in different sample DICs. It is seen from the last row of this table that the average employment size of sample units in the two DICs in West Bengal and Nagaon in Assam is relatively greater (between 12 to 15 workers) than in other sample districts. For example the average employment size in Tuensang and Ukhrul is indicated to be less than 4 workers, and close to 6 workers in Aizwal and West Kameng. The average employment size is close to 6 in Aizwal and Kameng (West). Another interesting feature which emerges is that the proportion of women workers, whether family workers or hired workers, is smaller when compared to male workers. Also while female family workers are mostly reported as skilled, the hired women labour is unskilled. Also most women working in supervisory capacity are drawn from within the families of the entrepreneurs.

Tables 2.8 and 2.9 give the distribution of the units classified by number of workers. A perusal of this table would show that nearly 80 per cent to 90 per cent of units have an employment size of 10 and less. In the North-Eastern districts, there is dominance of relatively small sized firms as indicated by number of workers. For example, nearly one fourth of the units in the North-Eastern DICs have only 3 workers and less, and nearly 47% have four to six workers. Both West Bengal and Assam have a more even spread of the units.

The following table gives further insight into the employment in sample DICs.

Type of works	West Bengal	Assam	NE States (excluding Andaman & Nicobar)	Andaman and Nicobar	Total
Family	95	101	327	34	557
Non-family	1022	688	1135	303	3148
Total	1117	789	1462	337	3705
Per cent family workers	8.50	12.80	22.37	10.09	15.03
Number of units	80	80	245	30	435
Average size of the limit	13.96	9.86	5.97	11.23	8.52

Two features which emerge from this table are: (i) in the relatively less developed districts the extent of family labour employed is larger when compared to more developed districts as is evident from the fact that West Bengal shows a smaller share of family labour followed by Assam, and (ii) the average number of workers is smaller, the less developed a region is. West Bengal has a high of 13.96 workers, with Assam at 9.86 followed by North Eastern districts with an average of 5.97 workers per unit.

Investment Pattern

Tables 2.10 and 2.11 give an idea of the distribution of total investment for the sample units separately for beneficiary and non-beneficiary units. It is seen that most units have an investment

between Rs 50,000 and Rs 2,00,000 although West Bengal shows a more even distribution of units with 22.5% of units having an investment of over Rs 5 lakhs. Nagaon and Jorhang have however a higher proportion of units with investment greater than Rs 2 lakhs.

Table 2.12 provides data about the average investment in plant and machinery at the commencement of production and current investment. It will be seen that average investment in all the districts has gone up, although the increase is steeper in Jorhang and Tripura West. Further we find that the two districts of West Bengal, Nagaon (Assam) and Jorhang have on the average the highest fixed investment. These are also the districts which have relatively greater fixed investment per employed person, being between Rs 10,000 - Rs 14,000. Dhubri, Tuensang and Ukhrul have the lowest average fixed investment. If we compare the current family income levels with those of fixed investment, we find that there is a very close relationship between them.

Output

Table 2.13 gives the mean and standard deviation of the total output in the initial year when production started and during the reference period in 1986-87. First we note that in all the sample districts the mean value of output in the current year (1986-87) compared to that in the initial year has gone up. However, the extent of increase has been different in different DICs. Analysing first the two sample DICs in West Bengal we find that while in Burdwan the increase have been of the order of about 50 per cent, in Midnapur, it is almost 4 to 5 times. In Assam again while in Dhubri the increase is less than 20 per cent, in Nagaon the increase is almost three times. In Andaman & Nicobar the increase in output is more than four times. So far as North-Eastern districts are concerned, West Kameng has experienced the least increase in output, in Aizwal and Jorhang it is modest. In other districts it is two

to three times. Analysing the variability in output in terms of the coefficient of variation, we find that in most sample districts, the units have come closer, or in districts where coefficient of variation has increased, it is only a slight increase.

Analysing now the distribution of units by size of output given in Table 2.14, we find that in terms of the output the units are fairly well spread over the various output classes. Most of the units seem to be concentrated between Rs 25,000 to Rs 2 lakh, although in some districts there are a large number of units with output of less than Rs 25,000. Also, nearly 50 per cent of the units in most States have an output of less than Rs 1 lakh. The per cent distribution of units also shows that there has been upward shift in distribution of units, suggesting that on the average output of most firms has gone up (Table 2.15).

The above description clearly shows that in terms of the size of the output the performance of most DICs has considerably improved over the period. Further, that there is a wide dispersion of units so far as their size as measured by the level of output is concerned, but over the period the disparities in levels of output have reduced.

Reasons for Registration with DIC

Table 2.17 gives the reasons for registering with the District Industries Centres (DIC). The most dominant purposes for registering with the DIC relate to securing loan, subsidy, raw materials, and plant and equipment. Another important reason for registering with DICs by entrepreneurs in Dhubri, Tripura and Kamang relates to seeking advice and information in carrying out their activities. So far as land and marketing support from DIC is concerned, only Tripura entrepreneurs indicated these as possible reasons for registering with the DIC.

Most of the non-beneficiaries who were not registered with the DIC have not opted for registration with the DIC because of too much of paper work. Besides they did not expect much help from the DICs (Table 2.18).

Economic Status of Sample Units

Table 2.19 contains the indices of economic status on performance of the units surveyed in the eleven districts. In constructing this index we have assigned the following scores:

Healthy units	5
Marginal units	3
Sick units	1

On the basis of these scores a weighted average of the economic status of the units has been built to give the required index. It will be seen that on the average the economic status or performance of most beneficiary and non-beneficiary units except Tripura could be termed as close to healthy. This is in terms of the perception of the entrepreneurs about the working of their units.

Table 2.20 gives the economic status of the sample units in the eleven districts according to whether they are healthy or sick or marginal as reported by respondents. From this table we find that except Tripura and to a lesser extent Ukhrul and Andaman, most units are reported to be healthy.

2.2 PROFILE OF ENTREPRENEURS

Personal Characteristics of Entrepreneurs

Table 2.21 provides some personal characteristics of

entrepreneurs in the sample DICs. First analysing the mean family size of the entrepreneur we find that the two DICs in West Bengal have a high average size of 8.22 and 8.85 in Burdwan and Midnapur, respectively. The average size of family in Dhubri and Nagaon is slightly lower being 6.57 and 8.35, respectively. In other districts of the North-Eastern region the mean size of the family is close to 7 with Andaman and Nicobar indicating the lowest mean size of the family (5 members) and West Kameng showing a high family size of 8.51.

The average age of the entrepreneurs in the two DICs in West Bengal is 40.55 years and 34.55 years in Burdwan and Midnapur, respectively indicating that most entrepreneurs are still in the young to middle age group. Same is true of other DICs in Assam and the North-Eastern region where the mean age of the entrepreneur varies between 35 years and 41 years. Analysing the caste status of the entrepreneur we find that except a few entrepreneurs belonging to Scheduled Caste and Scheduled Tribes in Assam and West Bengal, remaining belong to other castes. In the North-eastern districts of Aizwal, Jorhang, Tuensang, Ukhrul and West-Kameng most entrepreneurs belong to Scheduled Tribes. In Tripura, only four entrepreneurs belong to either scheduled castes or scheduled tribes, the rest are from other castes. Analysing education of the entrepreneurs we find that except in Tripura, Tuensang, Ukhrul, Jorhang and Midnapur most entrepreneurs are either high schoolers or graduates. So far as technical education is concerned except two entrepreneurs in the entire sample nobody had a formal technical education.

From what has been said above it is clear that most entrepreneurs are reasonably well educated and are still in the young to middle age group of 35 to 40 years. These two characteristics of the entrepreneurs seem to be favourable factors for entrepreneurship. Even the large family size of the

entrepreneurs which is clearly much above the all India average can be a helpful factor for the working of the unit. So far as the analysis of caste is concerned it is somewhat disturbing since only a negligible number of entrepreneurs in Assam, West Bengal and Andaman and Nicobar are drawn from the backward classes. If equity is one of the objectives of any development strategy it is essential that efforts be made to involve Scheduled Castes and Scheduled Tribes in setting up units under the DIC programme.

In the context of local development, it is interesting to note that majority of the entrepreneurs, with the exception of Andaman and Nicobar Islands and Burdwan, not only belong to the same state unit but to the same district (Table 2.22).

Apart from educational training an important determinant of the success of the enterprise is the background of the entrepreneur.

Occupation of the Entrepreneurs

Table 2.23 provides an idea about the type of occupation that the entrepreneurs of the sample units in the eleven districts had before setting up their respective units. It will be seen from the table that the two most important occupations prior to setting up the existing units have been trading and wage employment, although Tripura, Burdwan, Midnapur and Andaman & Nicobar have some entrepreneurs with manufacturing background. Further at least in four to five districts, a large number of entrepreneurs were pursuing studies before setting up the unit. In this context mention may be made of Burdwan, Nagaon, Midnapur and Ukhrul. These probably are the SEEUY units. Also Ukhrul is the only DIC where a large number of entrepreneurs (nearly 33 per cent) have farming background. It would be interesting to see whether the functioning of a unit is in anyway related to the kind of background that an entrepreneur had before setting up the present unit.

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Family Income

One yardstick of the success of the DIC programme is to study the trends in entrepreneurial incomes. Table 2.24 gives an idea of the average income of the enterprise during the first year of its establishment and its income during 1986-87. A perusal of this table would show that the average incomes in all the sample DICs have risen considerably. Also while most districts have average current income between Rs 20,000 - Rs 35,000, Ukhrul has a low income of Rs 12,275 and West Kameng and Andaman high income levels of Rs 48,289 and Rs 49030, respectively.

Our results of cross-classification of initial and current family incomes reveals that most sample units on the average have improved their income status since the setting up of their respective units. An application of Chi-square test to determine whether these differences are significant shows that except Tuensang, such differences in income before the setting up the enterprise and the current incomes are significant at 5 per cent level (marked with * in the table). This does indicate that DIC programme has contributed to improvements in the income levels of the entrepreneurs. It should be pointed out that this analysis is carried out in nominal terms, and no adjustments are made for price rise.

2.3 PROFILE OF GENERAL MANAGER OF DIC OF THE SAMPLE DISTRICTS

There is much variation in age among the GMs of DICs of the Sample Districts. The youngest is of age 36 years and the oldest 57

years. The distribution of GMs by age is given below:-

<u>Age</u>	<u>No. of GMs</u>
Below 40	2
40-45	4
46-50	2
51-55	1
Above 55	2

Thus, in 6 cases out of 11, the GMs are not more than 45 years of age.

All GMs are male and none belong to the district in which they are presently working. However, in a majority of cases, the GMs are from another district of the same state. It is interesting to note that in three out of the eleven sample districts of North-East India, the GMs belong to far-off States; two belong to Uttar Pradesh and one to Tamil Nadu.

Most GMs have a family size of 3 to 5 members. In only two cases, the family size exceeds 5. In one case, the family size is 12 (8 adults and 4 children).

Educational qualifications and work experience of the GMs are given in Table A. It is seen from the table that the GMs have a varied educational background. In 6 cases out of 11, the GMs have a technical/engineering background. It is also seen from the table that in almost all cases the persons holding the post of GM have been with the Directorate of Industries or with Organisations engaged in promotion of industries. Also, most of them have put 5 years or more service within the DIC set up as GM or as GM/PM.

TABLE A
EDUCATIONAL QUALIFICATION AND WORK EXPERIENCE OF GM OF DICs OF THE SAMPLE DISTRICTS

District	Educational qualification of GM	Age	Work experience on (at the time of interview)		Other positions held
			as GM	as FM/PH	
Midnapur	M.A. (Economics)	54	1 and a half	6 years	Planning-cum-survey Officer (RIP)
Burdwan	M.Sc. (Mathematics)	49	8 years	-	Asst. Director of Statistics (B.I.)
Dhubri	M.A. (Philosophy) ²	57	1 Month ¹	7 years	Asst. Director (B.I.)
Agaon	B.Sc. (Chem. Engg.)	43	3 years	2 years	Joint Director (Hills) (B.I.)
Jorhath	Diploma in Electrical Engg.	42	3 years	4 years	Technical Officer (B.I.)
West Tripura	B.Sc. (Sugar Technology)	56	8 years	-	Project Officer (RIP)
Uthul	B.E. (Mechanical)	38	1 and a half	6 years	Assistant Director (B.I.)
Rizwal	B. Tech. (Chemical)	36	3 years ²	-	Technical Officer (B.I.)
A & N Islands (SISI)	M.A. (Eco.): M.B.A.	45	1 years	1 years	Small Industries Promotion Officer
West Khasi	B.Sc.: B.E. (Mechanical)	44	6 years	-	Teaching in Engineering College
Inenseng	B.A.	49	7 years	-	Inspector of Industries

Notes: 1. Recently promoted.
2. Appointed against FM post, working as incharge-GM.
3. Underwent SISI and SIET training.

2.4 ROLE OF DISTRICT INDUSTRIES CENTRES

How Units Established First Contact?

Table 2.25 gives an idea as to how the sample entrepreneurs had their first contact with the District Industries Centres (DIC) to secure registration or advice. It will be seen from the table that, except Dhubri where most entrepreneurs established their first contact through another person, entrepreneurs in other districts followed a direct approach through a personal visit to the DIC office.

Source of Advice and Assistance

The tabulations (not included in the text) on 'the advice and assistance' sought from DIC's and other departments show that DIC's help is mostly sought for registration of their units, and to a lesser extent to procure capital subsidy and term loans. The other kind of assistance relates to obtaining raw materials, market support and procuring plant and equipment. Entrepreneurs in most districts have preferred to stay away from DIC office, presumably expecting little or no help. The entrepreneurs tend to approach for help departments other than the DIC.

As we will see later, this has something to do with the fact that most DIC officials have hardly any power. Further DIC office more often tends to work as an extension office.

Project Implementation

Table 2.26 provides an idea of the type and extent of assistance received by the entrepreneurs from their respective DIC, at the time of the implementation of their projects. For this

purpose an index of official attitude was constructed with the following scores:

<u>Extent of help</u>	<u>Score</u>
Helpful	5
Not so helpful	3
Lousy	1

The weighted index for various districts by the type of assistance is contained in Table 2.26a. It will be seen from the table that except Dhubri, Midnapur, Ukhrul, Tripura and Andaman where the official attitude was indicated to be quite helpful, in all other districts the official attitude was reported to be less than helpful. It is difficult to form a clear judgment of the official attitude on the basis of the responses of the entrepreneurs, but evidently while there is scope for this, it may be that there is very little that the DIC office can do to rise upto the expectations of the entrepreneurs, presumably, because of the limited powers that the DICs are given. This is borne out partly from our interview with the GMs, as well as from the fact that except for registration and capital subsidy disbursement, most entrepreneurs received routine recommendation.

Table 2.26b on the other hand gives an idea of the time taken by the project staff in rendering assistance to the units by the DIC in project implementation. In constructing this index the following scores have been given:

Very quick	5
Reasonable time	3
Too much time	1

It will be seen that the time taken in rendering assistance in most districts has been quite satisfactory. It must be mentioned that this inference is of little consequence since in most situations, the DICs were concerned with routine recommendation.

Tabulations (not included) of the number of visits which the entrepreneurs made to obtain various kinds of assistance and advice show that DIC was mostly approached for registration, term loans and working capital loans. Ukhrul entrepreneurs have sought assistance from the DIC for plant and machinery, factory sheds, and capital subsidy. Important reasons for contacting other organisations are power connection, term loans, obtaining building plan approvals, and sales tax (See Table 2.27).

Assistance During Project Operations

An analysis of the responses of entrepreneurs shows that only a fraction of the entrepreneurs seek DIC assistance for project operation. Also whenever such assistance is provided, entrepreneurs do not always find the attitude of DIC officials as very helpful. However they report that the time taken to render such help is on the average reasonable.

The following gives a description of the experience in some of the DICs.

Aizwal: of all the forty units surveyed in this district, only one unit belonging to the category of beneficiary received/sought assistance from DIC for enhancement/modification/restoration of working capital units. In this operation time taken was "Reasonable" while official attitude was not so helpful.

Burdwan: Only one beneficiary unit receiving/seeking DIC assistance for techno-economic diagnosis describing time taken as too much and official attitude as not so helpful.

Dhubri: 26 units sought assistance for marketing purposes, 24 for market information, and 21 for advice on project expansion, etc., while one unit each sought help for working capital, raw material, techno-economic diagnosis also. In most of the cases time taken was reasonable and official attitude not so helpful. However a handful of the units did describe official attitude as helpful. No non-beneficiary sought any help in project operations.

Jorthang: Neither the beneficiary nor the non-beneficiary class of units received or sought any kind of help from DIC in project operations.

Nagaon: Same as Jorthang.

Tuensang: No assistance by any unit.

Ukhrul: Two units received help for purchasing raw material, etc., while only one unit went for marketing support from DIC. In both the cases time taken by DIC was reasonable but official attitude not so helpful. No non-beneficiary sought any help, naturally.

Kameng (West): As many as 38 units sought help for advice on project expansion while 12 and 5 units sought assistance for marketing support and marketing information respectively. Every unit views time taken by DIC for such operations as reasonable. As regards official attitude as many as 20 per cent of the units described it as helpful while for the rest of the units the official attitude was not so helpful.

Tripura: 13 units sought help for marketing information while 11 sought it for procurement of raw material. For marketing information time taken was reasonable and official attitude, amazingly, helpful. But in case of raw material assistance as many as 45 per cent of the units reported that time taken by DIC was too much although official attitude was helpful - as in the case of marketing information. About 5 units each sought help for technical problem solving, additional loan sanction, project expansion and marketing support. In all these cases official attitude was helpful while time taken in the delivery of such assistance was reasonable. One unit sought help for additional term loan disbursement describing official attitude as helpful and time taken as reasonable.

Midnapur: Only one unit each sought help for working capital, raw material, techno-economic diagnosis, rehabilitation, expansion, market information, marketing support, etc. from DIC. Official attitude is reported as not so helpful, and time taken reasonable in all cases.

Bias in the Working of District Industries Centres

Table 2.28 gives an idea of the perception of the respondents with regard to the extent of bias in the working of various DIC's. It would be seen from the table that the only significant bias reported by the respondents relates to greater attention being given to larger units. This is especially true of Aizwal, Tuensang, Nagaon, Midnapur and Burdwan where some entrepreneurs feel that DICs give greater attention to the larger units ignoring the smaller ones. No significant bias is reported in regard to preferences for specific geographical regions or to the specific class of entrepreneurs.

Overall Profile of DIC Officials

Table 2.29 provides an idea about the view of entrepreneurs in regard to the knowledge, attitude, and integrity of DIC officials. It will be seen from this table that except Jorhang followed by Midnapur where many entrepreneurs considered DIC officials as excellent, entrepreneurs in all other DIC's considered DIC officials' attitude, knowledge and integrity as average. This is corroborated by indices given in the last column of the table. These indices it may be mentioned have been constructed with the following scores for the three attributes, namely, knowledge, attitude and integrity.

<u>Remark</u>	<u>Score</u>
Excellent	5
Average	3
Poor	1

It will be seen that except the entrepreneurs of Jorhang and Andaman Islands, the DIC officials are perceived as average or slightly below average.

Problem and Suggestions as Reported by Entrepreneurs

Table 2.30 lists some of the major problems faced by the entrepreneurs in the sample DiCs. It will be seen that most entrepreneurs felt that there is too much paper work involved in seeking assistance from DIC. While entrepreneurs in all the DIC's experienced difficulties with regard to raw materials, the entrepreneurs of West Bengal think it to be somewhat more serious. The other important problem experienced by entrepreneurs is the inadequate finances provided by the DiCs. West Kameng and Burdwan entrepreneurs are more vocal about it. A very large number of

entrepreneurs of almost all the DIC's in the North-Eastern States other than West Bengal and Assam feel that there is not enough cooperation and coordination among the officials in the DIC and the Banks. Other major problems, especially in North-Eastern DIC's relate to problems of adequate transport and power. These states have also reported inadequacy of seed money.

Many of the suggestions of entrepreneurs contained in Table 2.31 are the direct outcome of the problems stated by the respondents. Most states, especially the DICs in north-eastern States want transport facilities to improve. Similarly they want the raw materials to be made available on time, and should be adequately subsidised. This demand is very strong from Nagaon, Dhubri, Tuensang, Aizwal and the two districts of West Bengal. Entrepreneurs in north-east DICs would like the DIC officials to meet entrepreneurs more regularly and would also like a better coordination between banks and DIC officials.

In short, improved and timely availability of raw materials (and if possible at subsidised rates), improved transport and power facilities, less paper work at the DIC level, better coordination between Banks and DIC officials are some of the suggestions which, most entrepreneurs feel, will contribute to better performance. Some however feel the need to raise the existing levels of seed money. Also most entrepreneurs feel the need to reduce the extent of paper work at the DIC level.

TABLE 2.1

32

Distribution of Sample Units by Type of Main Product/Industrial Activity

Product classification	Districts--		Nagaland		Dhubri		Burdwan		Midnapur		Ukhral (East)		Tuensang		Jorhango		Tripura (West)		Aizawl		Kameng (West)		A&N Islands	
	B*	NB**	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB
agro based	9	3	17	0	9	2	10	1	7	2	2	1	13	0	10	0	4	2	6	2	6	1		
craft based	4	0	6	0	3	1	1	0	6	1	6	0	2	0	5	1	6	0	9	0	5	1		
animal husbandry based	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	1	1	4	0	1	0		
textile based	0	0	5	2	1	0	6	0	8	0	6	1	4	1	2	0	6	1	10	1	1	0		
chemical based	4	0	1	0	5	0	2	1	0	0	0	0	0	0	2	1	0	0	4	0	0	0		
engineering & allied industry based	10	2	2	1	15	2	11	2	6	0	8	2	5	4	9	1	10	1	2	1	5	0		
building material and ceramic based	2	0	0	0	0	0	2	0	0	0	0	0	0	0	1	0	1	0	2	0	4	0		
miscellaneous	6	0	4	2	2	0	3	1	8	2	13	1	11	0	5	1	7	0	3	1	6	0		
services based	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
TOTAL	35	5	35	5	35	5	35	5	35	5	35	5	35	5	35	5	40	5	28	2				

Notes: * Beneficiary

** Non-beneficiary

TABLE 2.2

Present Contribution of the Selected Units

Name of the Districts	Number of units surveyed	Proprietorship		Partnership		Private Limited company	
		B*	NB**	B	NB	B	NB
Nagaon	40	31	5	4	0	0	0
Dhubri	40	33	4	1	1	1	0
Burdhuan	40	22	2	11	3	2	0
Midnapur	40	26	3	8	1	1	1
Ukhrul (East)	40	34	5	0	0	1	0
Tueneang	40	35	4	0	1	0	0
Jorthang	40	34	5	1	0	0	0
Tripura (West)	40	33	4	2	1	0	0
Aizawl	40	35	5	0	0	0	0
Kameng (West)	45	40	5	0	0	0	0
Andaman and Nicobar Islands	30	25	2	2	0	1	0
TOTAL	435	348	44	29	7	6	1

Notes: * Beneficiary

** Non-beneficiary

TABLE 2.3

Official Status of Selected Units
(Industry Wise Classification)

Names of the districts	No. of units surveyed	Small scale		Tiny		Ancillary		Cottage		Village	
		B	NB	B	NB	B	NB	B	NB	B	NB
Burdwan	40	34	5	0	0	1	0	0	0	0	0
Midnapore	40	34	5	0	0	1	0	0	0	0	0
Dhubri	40	32	1	0	0	0	0	3	3	0	1
Naugaon	40	34	4	0	0	1	0	0	1	0	0
Aizuel	40	12	0	0	0	0	0	23	5	0	0
Jorthang	40	35	5	0	0	0	0	0	0	0	0
Tripura (West)	40	17	0	4	2	1	0	11	3	2	0
Tuensang	40	35	5	0	0	0	0	0	0	0	0
Ukhrul (East)	40	11	1	2	1	0	0	20	3	2	0
Kamang (West)	45	30	3	1	1	0	0	8	1	1	0
Andaman & Nicobar Islands	30	27	1	1	1	0	0	0	0	0	0
TOTAL	435	201	30	8	5	4	0	57	16	5	1

Notes: B : Beneficiary
NB : Non-beneficiary

TABLE 2.4

Distribution of Units by Year of Establishment and
Year Production Commenced

Name of the districts	Year production commenced				Year of establishment		
	Before 1980	1981-85	1986-87	Total	Before 1980	1981-85	1986-87
Burdwan	8	11	16	35	8	11	16
Midnapur	7	14	14	35	7	18	10
Dhubri	2	23	10	35	2	23	10
Nougaon	10	11	14	35	10	11	14
Aizual	0	20	15	35	0	20	15
Jorthang	7	25	3	35	7	24	4
Tripura	17	12	6	35	18	11	6
Tuensang	10	21	4	35	10	21	4
Ukhrul	7	25	3	35	7	25	3
West Kamang	0	19	21	40	0	19	21
A & N Islands	6	11	11	28	6	11	11

TABLE 2.5

Kind of Fuel (Power) Used

Name of the districts	Elect-ric	Diesel	Wood	Coal	All others	No power used
Burdwan	38	0	0	0	1	1
Midnapore	27	0	1	0	0	12
Dhubri	23	0	0	0	14	3
Nawgaon	31	0	0	0	0	9
Aizwal	27	1	0	0	0	12
Jorthang	37	0	0	1	2	0
Tripura (West)	21	1	6	0	2	11
Tuensang	28	0	0	0	2	10
Ukhrul (East)	9	2	3	3	5	13
Kamang (West)	44	0	0	0	1	0
A & N Islands	19	0	0	0	3	8

TABLE 2.6a

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Status of Employment of Selected Units

Names of the districts	No. of Units Surveyed	(Family Labourers)											
		Skilled				Unskilled				Managerial/Supervisory			
		Male		Female		Male		Female		Male		Female	
		B	NB	B	NB	B	NB	B	NB	B	NB	B	NB
Padwan	40	0	0	0	0	0	0	0	0	41	7	0	0
Pinapur	40	0	0	0	0	0	0	0	0	36	7	4	0
Pibri	40	6	3	1	0	0	1	0	0	44	4	1	0
Pirgaon	40	0	0	0	0	0	0	0	0	35	5	1	0
Pirwal	40	0	0	1	0	0	0	0	0	36	4	2	0
Pirthing	40	1	0	0	0	0	0	0	0	38	5	1	0
Pirpura	40	10	0	5	0	1	0	1	0	13	1	1	0
Pirnaang	40	8	1	1	1	0	0	0	0	33	4	1	1
Pirul	40	7	1	12	1	7	1	6	0	25	5	9	0
Pir Kameng	45	39	4	11	0	4	0	0	0	30	4	9	0
Pir N	30	8	0	3	1	0	0	0	0	21	1	0	0
TOTAL	435	71	9	34	3	12	2	7	0	352	47	29	1

Legend: B : Beneficiary

NB : Non-beneficiary

TABLE 2.6b

Status of Employment by Selected Units

(Hired Labour)

Name of the Districts	No. of Units Surveyed	Skilled				Unskilled				Managerial/Supervisory			
		Male		Female		Male		Female		Male		Female	
		B	NB	B	NB	B	NB	B	NB	B	NB	B	NB
Jardwan	40	153	29	0	0	196	68	0	0	9	0	7	0
Idnapur	40	188	50	0	0	205	87	28	1	1	0	0	0
Hubri	40	123	3	7	4	114	0	6	0	4	0	0	0
Sawgaon	40	149	21	0	0	175	78	0	0	4	0	0	0
Chizual	40	94	7	22	0	45	1	16	0	0	0	0	0
Porhang	40	162	22	5	0	82	5	1	0	0	0	0	0
Chiripura	40	129	9	39	9	69	0	9	3	29	4	2	0
Chuensang	40	76	7	3	1	25	3	0	1	0	0	0	0
Chikhrul	40	21	5	10	0	15	5	14	0	0	6	0	0
West Kameng	45	120	8	24	2	23	0	0	0	0	0	0	0
Chit & N	30	122	9	8	0	87	16	50	0	10	1	0	0
TOTAL	435	1337	170	118	16	1036	263	124	5	57	11	9	0

Notes : B : Beneficiary

NB : Non-beneficiary

Table 2.7

Average Employment Size in Different Sample Districts

	Burd- wan	Midna- pur	Dhu- bri	Na- gaon	Aizway	Jort- hang	Tri- pura	Tuen- sang	Ukh- rul	West Kamang	A & N
Family Labour Male	-	-	0.225	-	-	0.025	0.025	0.025	0.020	0.956	0.267
" Female	-	-	0.025	-	0.025	-	0.125	0.050	0.325	0.244	0.133
Unskilled Male	-	-	0.025	-	-	-	0.025	-	0.020	0.089	-
Unskilled Female	-	-	-	-	-	-	0.025	-	0.015	-	-
Supervisory Male	1.20	1.075	1.020	1.0	1.0	1.075	0.035	0.925	0.075	0.756	0.733
Supervisory Female	-	0.010	0.025	0.025	0.005	0.025	0.025	0.050	0.225	0.020	-
Labour Skilled Male	4.55	5.095	3.015	4.025	2.525	4.060	3.045	2.075	0.065	2.844	4.37
Skilled Female	-	-	0.275	-	0.055	0.125	1.020	0.010	0.025	0.578	0.267
Unskilled Male	6.60	7.030	2.085	6.325	1.015	2.175	1.725	0.070	0.050	0.511	3.43
Unskilled Female	-	0.725	0.015	-	0.004	0.025	0.030	0.025	0.035	-	1.687
Supervisory Male	0.225	0.025	0.010	0.010	-	-	0.825	-	-	-	0.366
Supervisory Female	0.175	-	-	-	-	-	0.005	-	-	-	-
No. of Persons Employed	12.75	16.125	8.025	11.070	5.070	8.050	8.035	3.095	3.060	6.178	11.239

TABLE 2.8

Distribution of Sample Unit by Employment Size

Districts	Employment Size (No. of Workers)						Total
	Upto 3	4-6	7-10	11-15	16-20	21 and above	
Burdwan	4	9(2)	10(1)	4(1)	4	4(1)	35(5)
Midnapur	9(1)	17(1)	5	1(1)	1	2(2)	35(5)
Dhubri	2(3)	13(2)	9	7	2	2	35(5)
Nawgaon	5(2)	7(1)	13	5	2	3(2)	35(5)
Aizwal	7(4)	20(1)	4	2	1	1	35(5)
Jorthang	2	11(4)	15	6(1)	-	1	35(5)
Tripura	3	12(4)	8(1)	7	4	1	35(5)
Twensang	13(1)	21(4)	1	-	-	-	35(5)
Ukhrul	18(4)	15	2(1)	-	-	-	35(5)
West Kameng	5(2)	20(3)	12	2	-	1	45(5)
Andaman Island	5(1)	10	6	3	1	5(1)	30(2)

Note: Figures within brackets show the No. of non-beneficiary units.

TABLE 2.9

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Distribution of Sample Units by States
and Employment Size

Employment Size	West Bengal		Assam		N.E. States		Andaman Island	
	No. of Units	% Units	No. of Units	% Unit	No. of Units	% Units	No. of Units	% Units
0 - 3	14	17.5	12	15.00	59	24.08	5	16.67
4.- 6	29	36.25	23	28.75	115	46.94	10	33.33
7 -10	16	20.00	22	27.5	44	17.96	6	20.00
11 -15	7	8.75	12	15.00	18	7.35	3	10.00
16 -21	5	6.25	4	5.00	5	2.04	1	3.33
21 and above	9	11.23	4	8.75	4	1.63	5	16.67
TOTAL	80		80		245		30	

TABLE 2.10

Distribution of Sample Units by Size of Total Investment

Investment (total in Rs.)	Burdwan		Midnapore		Dhubri		Nauvagon		Aizawl		Jorhang		Tripura (West)		Tuensang		Ukhrul (East)		Kameng (West)		A & N Islands	
	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB
upto 10000	2	0	4	0	0	0	0	0	0	0	0	0	0	1	0	0	1	0	0	0	0	0
10000-25000	1	0	2	0	2	1	0	0	1	1	0	0	2	0	1	0	9	1	0	0	2	0
25000-50000	3	0	9	0	3	2	0	0	3	1	0	0	6	2	10	1	15	0	0	0	4	0
50000-2 lakhs	14	2	14	2	25	2	9	3	20	3	20	4	17	2	23	4	8	3	32	4	10	2
2 lakhs-5 lakhs	4	1	4	0	3	0	17	2	9	0	12	0	5	0	1	0	2	1	8	1	5	0
5 lakhs-10 lakhs	6	1	1	1	1	0	6	0	2	0	2	0	5	0	0	0	0	0	0	0	4	0
10 lakhs-and above	1	1	1	2	1	0	3	0	0	0	1	1	0	0	0	0	0	0	0	0	3	0
TOTAL	35	5	35	5	35	5	35	5	35	5	35	5	35	5	35	5	35	5	40	5	28	2

Notes: B : Beneficiary
NB : Non-beneficiary

TABLE 2.11

Distribution of Units by Total Investment

Investment Size	West Bengal		Assam		N.E. States		Andaman Island	
	No. of Units	% of Units	No. of Units	% of Units	No. of Units	% of Units	No. of Units	% of Units
Upto 10,000	6	7.05	-	-	2	1.63	0	-
10,000 to 25,000	3	3.75	3	3.75	15	6.12	2	6.67
25,000 to 50,000	12	15.00	5	6.25	38	15.51	4	13.33
50,000 to 2 lakhs	32	40.00	39	48.75	140	57.14	12	40.00
2 to 5 lakhs	9	11.25	22	27.05	39	15.92	5	16.67
5 to 10 lakhs	9	11.25	7	8.75	9	3.67	4	13.33
10 lakhs and above	9	11.25	4	5.00	9	1.63	3	10.00
TOTAL	80		80		245		30	

TABLE 2.12

Average Investment in Samples DICs

Name of the districts	Average investment in plant & machinery (Rs)				Average no. of workers employed beneficiary + non-beneficiary	Mean investment in plant and machinery beneficiary + non-beneficiary	Average investment per worker in plant and machinery
	Beneficiary		Non-beneficiary				
	On common-cement	31-3-87	On common-cement	31-3-87			
Burdwan	162514	169548	169000	209000	12.75	174480	13685
Midnapur	105971	110286	520000	530000	15.175	162750	10725
Dhubri	38978	48997	4260	7200	8.025	43772	5454
Nagaon	106194	142571	21000	31400	11.70	128675	10998
Aizwal	60819	62879	15480	15480	5.70	56954	9992
Jorthang	51434	7677	22600	123600	8.05	92168	11449
Tripura	50796	80860	12040	24760	8.35	73848	8844
Tuensang	15286	21429	11600	14400	3.95	20550	5203
Ukhrul	12820	17520	10000	20400	3.60	17880	4967
West Kamang	50731	53000	32935	33135	6.178	50793	8222
Andaman & Nicobar	95593	134320	6500	9000	11.233	125965	11214

Table 2.13

Output of Sample Units in
Various Sample Districts.

(Rs. '000)

Names of the districts	Mean value of Output in		Standard deviation of Output		Coefficient of variation (SD/Mean) x 100	
	1st year	1986-87	1st year	1986-87	1st year	1986-87
Burdwan	382.2	572.6	1083.2	805.1	283	141
Midnapur	350.4	1760.3	1577.1	6822.8	450	388
Dhubri	270.1	319.4	640.2	647.9	237	203
Nagaon	148.2	439.8	320.8	709.8	216	161
Aizual	134.5	176.3	173.1	204.0	129	116
Jorthang	131.6	220.8	160.2	204.7	122	93
Tripura	72.8	281.1	130.6	456.4	179	162
Tuensang	48.2	80.3	19.3	37.1	40	46
Ukhrul	24.7	42.6	15.8	41.9	64	99
West Kamang	227.1	257.5	203.5	237.1	90	92
A & N Islands	158.0	710.3	223.4	1087.1	141	153

TABLE 2.14

Distribution of Sample Units by Size of Output
For Sample States

Output Size in (Rs.)	Number of Units							
	West Bengal		Assam		N.E. States		Andaman Island	
	First Year	1986-87	First Year	1986-87	First Year	1986-87	First Year	1986-87
Upto 25000	41	17	31	10	55	23	11	3
25001-50,000	10	7	9	9	78	61	4	5
50,001-1 lakh	9	20	13	18	47	69	4	3
1 to 2 lakhs	7	10	16	17	33	31	3	7
2 to 5 lakhs	6	13	6	14	24	46	4	4
5 to 10 lakhs	3	2	-	5	7	11	4	8
10 to 25 lakhs	1	6	4	3	1	4	-	2
25 lakhs and above	3	5	1	4	-	-	-	-
TOTAL	80	80	80	80	245	245	30	30

TABLE 2.15

Percentage Distribution of Units by Output Size

Output Size in (Rs.)	Percentage of Units							
	West Bengal		Assam		N.E. States		Andaman Island	
	First Year	1986-87	First Year	1986-87	First Year	1986-87	First Year	1986-87
Upto 25,000	51.25	21.25	38.75	12.50	22.45	9.38	36.67	3.33
25001-50,000	12.50	8.75	11.25	11.25	31.84	24.90	13.33	16.67
50,001-1 lakh	11.25	25.00	16.25	22.50	19.18	28.16	13.33	10.00
1 to 2 lakhs	8.75	12.50	20.00	21.25	13.47	12.65	10.00	23.33
2 to 5 lakhs	7.50	16.25	7.50	17.50	9.80	18.78	13.33	13.33
5 to 10 lakhs	3.75	2.50	-	6.25	2.86	4.49	13.33	26.67
10 to 25 lakhs	1.25	7.50	5.00	3.75	0.41	1.63	-	6.67
25 lakhs & above	3.75	6.25	1.25	5.00	-	-	-	-

TABLE 2.16

Distribution of Units by Gross Value of Output by Sample Districts

Name of the districts	Gross value of output in rupees								Total
	Upto 25000	25001-50000	50000-1 lakh	1 lakh-2 lakhs	2 lakh-5 lakhs	5 lakh-10 lakhs	10 lakh-25 lakhs	25 lakh-& above	
Burdwan*	20	3	5	2	5	3	-	2	40
**	4	2	10	5	10	1	6	2	40
Midnapur	21	7	4	5	1	-	1	1	40
	13	5	10	5	3	1	-	3	40
Dhubri	14	5	8	8	1	-	3	1	40
	5	6	10	12	3	-	2	2	40
Nagaon	17	4	5	8	5	-	1	-	40
	5	3	8	5	11	5	1	2	40
Aizwal	1	19	9	3	6	2	-	-	40
	-	14	12	3	9	2	-	-	40
Jorthang	1	11	13	14	-	-	1	-	40
	-	4	13	7	14	1	1	-	40
Tripura	23	7	4	1	4	1	-	-	40
	8	8	9	3	6	3	3	-	40
Tuensang	4	24	12	-	-	-	-	-	40
	-	13	23	4	-	-	-	-	40
Ukhrul	26	13	1	-	-	-	-	-	40
	15	18	4	4	-	-	-	-	40
West Kamang	-	4	8	15	14	4	-	-	45
	-	4	8	11	17	5	-	-	45
A & N Islands	11	4	4	3	4	4	-	-	40
	1	5	3	7	4	8	2	-	40

* : Gross value of output in 1st year.

** : Gross value of output in 1986-87.

Table 2.17

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Reasons for Registration with DIC

the islands	No. of units surve- yed	No. regd. with DIC		For loan		For subsidy		For lend & shed		For raw material		For market support		For inform- ation and advice		For plant & equipm- ent		For oil or tax exempt- ion		For electri- cific connec- tion		For miscelli- aneous	
		B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB
	40	35	2	31	2	27	2	3	0	6	1	2	0	2	0	21	1	1	0	1	0	0	0
is	40	35	5	28	5	17	4	0	0	8	2	0	1	0	1	5	0	0	0	0	0	0	0
	40	35	4	34	4	3	0	0	0	0	0	1	0	30	0	6	0	0	0	1	0	0	0
	40	35	0	29	0	29	0	2	0	4	0	0	0	0	0	21	0	0	0	12	0	0	0
	40	35	0	35	0	35	0	0	0	3	0	0	0	0	0	31	0	0	0	4	0	0	0
ig	40	35	0	35	0	35	0	0	0	0	0	2	0	0	0	34	0	0	0	8	0	0	0
	40	35	1	34	1	33	1	11	0	31	1	31	1	33	1	31	1	0	0	0	0	2	0
ig	40	35	0	34	0	35	0	1	0	6	0	2	0	0	0	30	0	0	0	4	0	3	0
	40	35	4	24	3	33	2	7	0	5	0	1	0	1	0	28	2	0	0	0	0	3	1
iang	45	40	4	39	4	0	0	0	0	0	0	11	0	37	4	0	0	0	0	0	0	0	0
alands	30	28	1	26	0	20	0	3	0	8	0	0	0	5	0	4	0	1	0	0	0	0	1

B : Beneficiary
NB : Non-beneficiary

TABLE 2.18

Reasons for Not Registering with DIC

Name of the districts	No. of units surveyed	Registration with DIC		Not aware		No help expected		Too much paper work		Secrecy of operations		Greater nuisence expected		Unable to PPP	
		B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB
Burdwan	40	35	2	0	0	0	0	0	1	0	0	0	1	0	0
Midnapur	40	35	5	0	0	0	0	0	0	0	0	0	0	0	0
Dhubri	40	35	4	0	0	0	0	0	1	0	0	0	0	0	0
Naugoon	40	35	0	0	0	0	3	0	4	0	0	0	0	0	0
Aizwal	40	35	0	0	0	0	0	5	0	0	0	0	0	0	1
Jorhthong	40	35	0	0	0	0	0	0	4	0	0	0	0	0	1
Tripura	40	35	1	0	0	0	0	0	2	0	0	0	0	0	0
Tuensang	40	35	0	0	0	0	1	0	5	0	0	0	0	0	0
Ukhrul	40	35	4	0	0	0	0	0	1	0	1	0	0	0	0
West Kamang	45	40	4	0	1	0	0	0	0	0	0	0	0	0	0
A & N Islands	30	28	1	0	0	0	0	0	0	0	0	0	0	0	1

Notes: B : Beneficiary
NB : Non-beneficiary

TABLE 2.19

Index of Economic Health of Selected
Units in Sample Districts

Names of the districts	Total number of units surveyed		Index of economic health**	
	Benefi- ciary	Non benefi- ciary	Benefi- ciary	Non benefi- ciary
Burdwan	35	5	4.6	5
Midnapore	35	5	4.6	5
Dhubri	35	5	4.82	4.2
Nawgaon	35	5	4.65	5
Aizwal	35	5	5	5
Jorthang	35	5	4.94	5
Tripura (West)	35	5	3	3.4
Tuensang	35	5	5	5
Ukhrul (East)	35	5	4.42	4.6
Kamang (West)	40	5	5	5
A & N Islands	28	2	4.28	5

** Weights attached as under:

Healthy - 5
Marginal - 3
Sick - 1

Result standardized by dividing the total by the number of units.

TABLE 2.20

Economic Status of Selected Units

Names of the districts	No. of units surveyed	Healthy		Sick		Marginal	
		B	NB	B	NB	B	NB
Burdwan	40	35	5	2	0	3	0
Midnapur	40	31	5	3	0	1	0
Dhubri	40	32	3	0	0	3	2
Naugaon	40	32	5	3	0	0	0
Aizwal	40	35	5	0	0	0	0
Jorthang	40	34	5	0	0	1	0
Tripura	40	3	1	3	0	29	4
Tuensang	40	35	5	0	0	0	0
Ukhrul	40	26	4	1	0	8	1
West Kamang	45	40	5	0	0	0	0
Andman	30	19	2	1	0	8	0

Notes: B : Beneficiary
NB : Non-beneficiary.

TABLE 2.21

Entrepreneurial Characteristics

Names of the Districts	Mean Family	Mean Age	Caste			Education		Education			Not available
			SC	ST	Others	Primary	Secondary	Graduate	Post-graduate	Technical	
1. Burdwan	8.22	40.55	1	0	39	4	17	17	2	0	0
2. Midnapur	8.85	34.55	0	0	40	9	16	12	3	0	0
3. Dhubri	6.57	37.45	0	0	40	2	22	15	0	0	1
4. Nagaon	8.35	36.92	0	1	39	0	27	12	1	0	0
5. Aizawl	7.60	37.80	0	40	0	2	17	21	0	0	0
6. Jorhang	7.17	38.70	0	23	17	9	28	1	0	0	2
7. Tripura	7.20	41.12	2	2	36	15	15	9	0	0	1
8. Tuensang	7.50	3.50	1	39	0	11	28	1	0	0	0
9. Ukhrul	6.85	38.77	0	39	1	17	19	3	0	1	0
10. West Kameng	8.51	35.88	0	45	0	1	41	2	0	1	0
11. Andaman & Nicobar	5.00	40.20	0	0	30	6	17	6	0	0	1

TABLE 2.22

Origin of Entrepreneurs

Names of the Districts	Within the District		Other District in the State		Outside the State	
	B	NB	B	NB	B	NB
Burdwan	26	3	5	1	4	1
Midnapore	34	4	1	-	-	1
Dhubri	35	5	-	-	-	-
Nawgaon	34	4	1	-	-	1
Aizwal	35	5	-	-	-	-
Jorthang	35	5	-	-	-	-
West Tripura	33	5	-	-	2	-
Thensang	35	5	-	-	-	-
Ukhrul (East)	34	5	1	-	-	-
West Kamang	40	5	-	-	-	-
Andoman Islands	4	-	-	-	24	2

TABLE 2.23

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Occupation Background of the Entrepreneur

Aizuel (40)	18	1	0	0	14	4	0	0	0	0	1	0	2	-	-	0	0	0	0	0
Jorhng (40)	13	1	0	0	18	4	0	0	0	0	0	0	3	0	2	0	0	0	0	0
Tripura (40)	12	1	9	2	9	1	1	0	0	0	4	1	0	0	0	0	0	0	1	0
Tuensang (40)	10	1	0	0	21	1	0	0	0	0	1	0	1	1	0	0	0	0	2	1
Ukhrul (40)	11	2	0	0	2	0	11	2	0	0	10	1	0	0	1	0	0	0	0	0
West Kamang (45)	27	5	0	0	11	0	1	0	0	0	3	0	0	0	0	0	0	0	0	0
Andaman	9	1	3	0	7	0	1	1	1	0	2	0	0	0	2	0	0	0	2	0

Notes: NB : Non-beneficiary
B : Beneficiary

TABLE 2.24

Average Income of Enterprises

	Mean income (Rs)		Mean current income from enterprises & other incomes (Rs.)
	First year	during 1986-87	
Burdwan*	8725	26625	28300
Midnapur*	9827	22935	24985
Dhubri*	18815	31180	32305
Nagaon*	11237	33950	37775
Aizawal*	12830	29525	29525
Jorthang*	12775	34200	37200
Tripura*	18337	33280	43485
Thensang**	7600	21125	23275**
Ukhrul*	7325	12275	17125
West Kameng*	37881	48289	54202
Andaman*	18900	49030	63066

* Significant by different at 5% level.

** Weekly significant (10% level).

TABLE 2.25

How First Contact Established with DIC

Names of the districts	Number of registered with DIC		Number of units surveyed		letter		personal visit		Visit with a person known to DIC		Complaint open house discussion		Any moti- vational programme	
	B*	NB**	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB
	ardwan	35	2	35	5	-	-	35	3	-	-	-	-	-
adnapur	35	5	35	5	-	-	34	3	1	2	-	-	-	-
ubri	35	4	35	5	-	-	3	4	30	1	1	-	1	-
gaon	35	-	35	5	1	-	34	-	-	-	-	-	-	-
zawl	35	-	35	5	-	-	35	-	-	-	-	-	-	-
orthang	35	-	35	5	-	-	35	1	-	-	-	-	-	-
ipura	35	1	35	5	-	1	29	4	1	-	-	-	-	-
ensang	35	0	35	5	-	-	35	-	-	-	-	-	-	-
hrul	35	4	35	5	-	-	30	-	6	-	-	-	-	-
est Kameng	40	4	40	5	-	-	30	4	6	-	4	-	-	-
adaman	28	2	-	-	-	-	18	2	5	-	2	-	2	-

Notes: * Beneficiary

** Non-Beneficiary

TABLE 2.26a

Project Implementation - Index of Official Attitude

of assistance	Burdwan		Midnapore		Dhubri		Naugson		Aizawl		Jorhng		Tripura (West)		Tuansang		Ukhrul (East)		Kameng (West)		A & N Islands	
	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB
Artisan registration	3	3	3.85	4.2	4.37	-	3	-	2.94	-	3	-	4.94	3	3	-	5	4.5	5	4.5	4.83	-
loan - sanction	2.9	3	4	4.33	3.34	-	3	-	2.93	-	3	3	4.92	5	3	3	4.7	3	3.05	-	4.83	-
loan - disbursement	3	3	4	4.33	3.5	-	3	-	3	-	3	3	4.84	5	3	3	4.7	3	3.05	-	4.81	-
ing capital loan	3	3	4.25	5	3	-	3	3	3	-	3	-	4.92	5	3	-	4.7	3	-	-	4.81	-
tel subsidy - sanction	-	-	-	3	3	-	3	-	3	-	3	-	4.8	5	3	-	4.8	3	-	-	4.80	-
tel subsidy - disbursement	-	-	-	3	3	-	3	-	3	-	3	-	4.7	5	3	-	4.8	3	-	-	4.42	-
/factory shed	3	-	3	-	-	-	3	-	-	-	-	-	5	-	-	-	4.8	-	-	-	3.0	-
val for building plan	3	-	-	-	5	-	-	-	-	-	3	-	5	-	-	-	5	-	-	-	-	-
asing for Plant & equipment	3	-	4.55	4	3	-	-	-	-	-	-	-	5	-	-	-	4.8	3	-	-	5.0	-
tion for power connection	3	3	3.94	4	3.86	-	3	3	2.9	3	3	3	4.76	3	3	3	2	-	-	-	3.0	-
onment clearance	3	3	3.85	4.2	4.37	3.8	3	-	3	-	3	-	4.94	3	3	-	5	3	5	4.5	4.83	3.0
ase of scarce/controlled/ ted raw materials	2.9	3	4	4.33	3.34	-	3	-	2.93	-	3	3	4.92	5	3	3	4.7	3	3.05	-	4.83	-
tax/power subsidy/other itive - sanction	3	3	4	4.33	3.5	-	3	-	3	-	3	3	4.84	5	3	3	4.7	3	3.05	-	4.81	-
tax/power subsidy/other itive - disbursement	3	3	4.25	5	3	-	3	3	3	-	3	-	5	5	3	-	4.14	3	-	-	4.81	-
ement of installed capacity	-	-	-	3	3	-	3	-	3	-	3	-	4.8	5	3	-	4.8	3	-	-	4.80	-
rying commencement of otion	-	-	-	3	3	-	3	-	3	-	3	-	4.7	5	3	-	4.8	3	-	-	4.42	-

B : Beneficiary

NB : Non-beneficiary.

TABLE 2.26b

Project Implementation (Index for Time Taken)

	Name of the districts																					
	Burdwan		Midnapur		Dhubri		Naugaon		Alizwal		Jorhanga		Tripura (West)		Tuensang		Ukhrul (East)		Kameng (West)		A & N Islands	
	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB
SI Registration	3.22	3.0	2.94	2.2	2.94	3.8	3.91	-	3.0	-	3.05	-	2.94	3	3.74	-	2.33	3.0	3.0	3.0	4.62	3.00
Term Loan Sanction	4.60	3.0	2.8	1.66	3.42	-	4.38	-	4.22	-	3.57	3	3.22	4	4.47	3.66	3.66	5.0	3.0	-	3.5	-
Term Loan Disbursement	4.16	3.0	3.2	1.66	3.0	-	3.53	-	2.93	-	3.28	3	3.15	3	3.23	3.0	3.53	5.0	3.0	-	3.28	-
Working Capital Loan	4.0	3.0	2.5	2.0	3.0	-	3.57	3.0	3.08	-	3.25	-	3.0	3	3.54	-	3.57	5.0	-	-	2.77	-
Capital Subsidy Sanction	-	-	-	3.0	3.0	-	4.06	-	3.85	-	4.33	-	3.2	3	4.32	-	3.51	5.0	-	-	3.44	-
Capital Subsidy Disbursement	-	-	-	3.0	3.0	-	3.42	-	3.07	-	4.27	-	3.1	3	3.70	-	3.35	5.0	-	-	3.33	-
Land - Factory Shed	3	-	5-0	-	-	-	3.5	-	-	-	-	-	3.0	-	-	-	2.40	-	-	-	-	-
Approval for Building Plan	3	-	-	-	3.0	-	-	-	-	-	3.0	-	3.66	-	-	-	2.33	-	-	-	-	-
Plant and Equipment	3.66	-	2.33	2.0	3.00	-	-	-	-	-	-	-	3.0	-	-	-	3.03	5.0	-	-	3	-
Power Connection	4.07	3.0	2.64	2.0	2.33	-	3.4	3.0	3.0	3.0	3.06	3	3.07	-	3.07	3.0	5.0	-	-	-	3	-
Environment Clearance	3.22	3.0	2.94	2.2	2.94	3.8	3.91	-	3.0	-	3.0	-	1.05	3	3.45	-	2.33	3.0	3.0	3.0	4.63	3.00
Purchase of Raw Material	4.60	3.0	2.8	1.66	3.52	-	4.38	-	4.22	-	3.57	3	3.22	4	4.47	3.66	3.66	5.0	3.0	-	3.5	-
State Tax Sanction	4.16	3.0	3.2	1.66	3.28	-	3.53	-	2.93	-	3.28	3	3.15	3	3.23	3.0	3.53	5.0	3.0	-	3.28	-
State Tax Disbursement	4.0	3.0	2.5	1.0	3.0	-	3.57	3.0	3.08	-	3.28	-	3.0	3	3.54	-	1.28	5.0	-	-	2.77	-
Installed Capacity	-	-	-	3.0	3.0	-	4.06	-	3.85	-	4.33	-	3.20	3	4.32	-	3.51	5.0	-	-	3.44	-
Commencement of Production	-	-	-	3.0	3.0	-	3.42	-	3.07	-	4.27	-	3.10	3	3.70	-	3.32	5.0	-	-	3.33	-

Notes : B : Beneficiary

NB : Non-beneficiary.

Table 2.27

Number of Entrepreneurs visiting DIC and other offices for Different Purposes

Purpose	Districts	Nagpur				Dhule				Burdwan				Midnapur				Uttarpradesh			
		DIC		Others		DIC		Others		DIC		Others		DIC		Others		DIC		Others	
		B*	NB**	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB	B	NB
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	
Small Scale Industries Registration	34	-	-	-	35	5	-	-	34	2	-	-	35	5	1	-	35	4	-	-	
Term loan sanction	18	-	14	-	33	-	18	-	15	-	18	1	11	2	1	1	13	2	3	1	
Term loan disbursement	-	-	26	-	28	-	18	-	10	-	18	1	11	2	-	1	4	1	11	1	
Working capital loan	2	-	13	1	-	-	2	1	1	-	7	-	5	1	4	1	6	2	9	-	
Capital subsidy sanction	11	-	2	-	1	-	-	-	-	-	-	-	-	-	-	-	23	1	3	-	
Capital subsidy disbursement	3	-	8	-	-	-	2	-	-	-	-	-	-	-	-	-	22	-	-	-	
Land Factory shed	2	-	-	-	-	-	-	-	-	-	2	-	-	-	-	-	14	1	-	-	
Plant and Machinery	-	-	-	-	4	-	6	1	5	-	7	-	5	-	1	2	15	-	1	-	
Approval of building plans	-	-	-	-	1	-	11	-	-	-	2	-	-	-	-	-	16	-	-	-	
Power connection	-	-	27	1	1	-	33	1	-	-	26	4	2	-	16	4	-	-	2	-	
Environment clearance	-	-	-	-	2	-	6	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sales tax-incentive sanction	-	-	-	-	-	-	16	-	-	-	-	-	-	-	-	-	-	-	-	-	
Project profile	-	-	-	-	1	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	
Feasibility report	-	-	-	-	-	-	1	-	-	-	-	-	-	-	-	-	5	-	-	-	
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

* Beneficiary

** Non-beneficiary

TABLE 2.29a

Overall Profile of the DIC Officials

Name of the Districts	Beneficiaries									Non Beneficiaries								
	Knowledge			Attitude			Integrity			Knowledge			Attitude			Integrity		
	EX	OK	Poor	EX	OK	Poor	EX	OK	Poor	EX	OK	Poor	EX	OK	Poor	EX	OK	Poor
ardwan (40)	3	29	3	2	29	4	2	29	4	0	1	2	0	2	1	0	1	2
adnapur(40)	16	18	1	16	17	2	13	21	1	2	3	0	1	4	0	1	4	0
ubri (40)	1	30	4	8	27	0	3	32	0	0	3	2	0	2	3	0	2	3
wgaon (40)	0	27	8	0	26	9	0	28	7	0	0	0	0	0	0	0	0	0
zwal (40)	1	34	0	0	35	0	0	35	0	0	0	0	0	0	0	0	0	0
rthang(40)	28	6	1	27	8	0	27	18	0	0	1	0	0	1	0	0	1	0
ipura (40)	3	27	5	2	27	6	1	31	3	0	4	1	0	1	4	0	4	1
ensang(40)	2	33	0	0	35	0	0	34	0	0	0	0	0	0	0	0	0	0
hrul (40)	0	31	4	0	31	4	0	25	10	0	4	1	0	1	4	0	4	1
Kamang(45)	4	35	1	1	38	1	1	38	1	0	4	0	0	1	3	0	2	2
Hi Island	14	11	00	14	12	0	15	8	0	1	1	0	1	1	0	1	1	0

TABLE 2.28

Bias in the Working of the DIC's

Names of the districts	Number of units surveyed	Attention to larger units		Attention to specific geographic area		Special class of entrepreneur						Any other Connection/sources	
		ring smaller area		area		EDP trainees		Local/Non-local		Industry group		B	NB
		B*	NB**	B	NB	B	NB	B	NB	B	NB		
Imphal	40	4	1	-	-	1	-	1	-	1	-	1	-
Chitradipur	40	5	-	-	-	-	1	-	-	1	-	1	1
Chubri	40	-	2	-	1	-	-	-	-	-	-	-	-
Chagaon	40	6	-	-	-	-	-	2	-	-	-	-	-
Chizawl	40	10	-	1	-	2	-	-	-	-	-	-	-
Chorthang	40	-	-	-	-	-	-	-	-	-	-	-	-
Chripura (West)	40	2	2	-	-	1	-	1	-	1	1	-	-
Chuensang	40	7	-	1	-	-	-	-	-	-	-	-	-
Chukhrul (East)	40	-	-	-	-	-	-	-	-	-	-	-	-
West Kameng	45	1	1	-	1	-	1	-	1	-	1	-	-
Andaman & Nicobar Islands	30	1	1	2	1	-	-	1	1	-	-	-	-

TOTAL

Note: * Beneficiary

** Non-Beneficiary

Table 2.29b

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Overall Profile of the DIC Officials

	Names of the Districts	Total no of Units Surveyed		Profile Index	
		Benef [*]	Non B ^{**}	Benef	Non B
1.	Burdwan	35	5	2.92	1.88
2.	Midnapure	35	5	3.78	3.5
3.	Dhubri	35	5	3.15	1.9
4.	Nawgaon	35	5	2.83	-
5.	Aizwal	35	5	3.01	-
6.	Jorhang	35	5	4.54	3
7.	Tripara (West)	35	5	2.8	2.2
8.	Tuensang	35	5	3.05	-
9.	Ukhrul (East)	35	5	2.6	2.06
10.	Kamang (West)	40	5	3.05	2.16
11.	A & N Islands	20	2	4.16	4.00

* Beneficiary

** Non-Beneficiary

TABLE 2.30

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Problems Reported by Entrepreneurs

(No.)

Problems	Name of Districts										
	Newgaon	Dhubri	Tuaneang	Jorathang	Aizawl	West Khasi	West Tripura	Ukhrul	Burdwan	Midnapur	Andaman &
1. Harassment by DIC officials	5	4	3	2	-	4	4	5	3	3	1
2. Too much paper work in DIC office	11	13	12	9	8	9	3	10	8	11	-
3. In adequate financial assistance by DIC	7	7	8	6	5	18	7	4	20	1	-
4. Raw material not adequately subsidised	6	5	4	7	4	4	6	1	14	13	-
5. Raw material supply not made available in time/inadequate supply	5	3	2	5	6	3	10	5	9	9	9
6. Failure to get Government orders	3	2	1	1	-	8	4	1	3	3	-
7. Shortage of technical personnel at DIC office	7	3	2	3	5	1	2	-	-	-	-
8. Lack of follow up from DIC	1	2	1	-	-	-	2	2	1	1	-
9. Inadequate financial power to DIC officials	6	3	5	4	3	8	-	3	-	-	7
10. Lack of cooperation between Banks and DIC's officials	12	9	8	7	9	7	1	6	2	-	-
11. Inadequate seed money	7	6	8	11	12	5	-	1	-	-	-
12. Loopholed project profiles by DIC and Banks	2	1	-	-	-	2	-	1	1	-	-
13. More help to big ones	3	5	4	6	5	3	1	-	2	2	-
14. Loan sanction is not proper	2	4	3	5	2	-	6	12	3	6	1
15. Shortage of electricity	2	3	6	5	2	-	2	-	15	3	1
16. Poor transport facilities	2	3	5	5	7	2	4	1	6	1	1
17. No relief in sales tax	3	5	3	4	5	-	1	-	1	1	-
18. Bank ask Guarantor	7	3	2	5	4	-	-	1	8	3	-
19. *Miscellaneous problems	5	4	3	4	3	2	3	2	10	2	-
20. No problems	3	5	6	5	6	3	10	2	1	6	2
21. No comment	4	7	5	7	4	1	-	10	-	2	3

Notes: * 1. Interior location of unit.
 2. Delay in payment of subsidy/No subsidy.
 3. Government is not encouraging entrepreneurs.

CHAPTER 3

STRUCTURE AND FUNCTIONING OF DICs

3.1 DIC Objectives

Most GMs of DICs of the sample districts consider creating more employment opportunities by setting up industrial units as the prime objective of DIC. Other objectives of DIC mentioned by them are: poverty alleviation; entrepreneurship development through motivation and training; reducing income inequalities; reviving and sustaining traditional industries; rural economic development through industrialisation; balanced economic development of the district; and revitalisation of sick units. Considering the way the GMs have ordered the objectives mentioned by them, three broad groups can be formed in order of importance as follows:

1. Setting up new industrial units and create additional employment opportunities; poverty alleviation; reducing income inequalities;
2. Reviving and sustaining traditional industries, supporting existing units; revitalisation of sick units;
3. Entrepreneurship development through motivation and training; design and technology development including modernisation of cottage and SSI sector.

3.2 Organisation and Staffing Pattern

At the time, the DIC programme was launched in 1978, it was envisaged that each DIC would be headed by a General Manager (GM), supported by seven Functional Managers (FM) in the following

disciplines:

- Economic Investigation (EI);
- Research Extension and Training (RET);
- Machinery and Equipment (ME);
- Raw Materials;
- Credit;
- Marketing; and
- Cottage Industries (Renamed Khadi and Village Industries - KVI).

However, to allow for diversities of different districts regarding size, population and potentialities, the number of Functional Manager was kept flexible in the range 4 to 7.

To make the DIC programme more effective, it was decided, in 1981, to modify the organisational structure of DIC. It was decided that, in the restructured DIC, there would be four Functional Managers - three in the fields of economic investigation, credit and Khadi and Village Industries, and the fourth to be chosen from any of the areas such as raw materials, marketing, training, information and infrastructure, depending upon the specific requirement of each district; and in addition, each DIC could have a maximum of three Project Managers (PM) in disciplines (e.g., electrical engineering) considered relevant to the district.

The organisation and staffing pattern of DICs in different States are discussed below:

West Bengal

The organisation chart of DIC in Burdwan is shown in Table 3.1. It is seen that the DIC has 5 Functional Managers and 4 Project Managers actually working against sanctioned posts of four each in both categories. There is no technical staff (in the rank of Assistant Manager or Technical Assistant) to assist the Functional and Project Managers. The ministerial staff strength is also small in relation to the number of Managers working. There are 6 sanctioned posts of economic investigators, but only 3 persons are actually working. Considering the size of Burdwan district and the amount of industrial activity going on, this is too small. Besides the staff at the main office of DIC, there are Extension Officers (Industries) at block level. The Extension Officers are not employees of DIC; they are under the control of the respective Block Development Officers (BDOs). There are 33 sanctioned posts but only 28 persons are actually working. This implies that some of the Extension Officers are looking after more than one Block.

The organisation chart of DIC in Midnapur district is shown in Table 3.2. It is seen that there are four sanctioned posts of Functional Managers and four persons are working against these posts. There are three posts of Project Manager and four persons working against these posts. It is interesting to note that while the DIC of Burdwan has two persons working as Functional Manager - Marketing, the DIC of Midnapur has two persons working as Project Manager - Entrepreneurship Development and Follow up (EDF).

TABLE 3.1

Organisation Chart of DIC in Burdwan
District: 1987

Designation	Sanctioned post	Actually working
<u>Functional Managers</u>		
Economic Investigation	1	1
Credit	1	1
Marketing	1	2
KVI	1	1
<u>Project Managers</u>		
Mechanical Engg.	1	1
Chemical Engg.	1	1
EDF*	1	2
Electrical Engg.	1	1
<u>Other Staff</u>		
U.D. Assistant	4	4
L.D.C.	4	3
Investigators	6	3

KVI Khadi and Village Industries.

EDF Entrepreneurship development and follow up.

* He is also looking after raw materials.

TABLE 3.2

Organisation Chart of DIC in Midnapur
District:1987

Designation	Sanctioned post	Actually working
<u>Functional Managers</u>		
Economic Investigation	1	1
Credit	1	1
Marketing	1	1
KVI	1	1
<u>Project Managers</u>		
Mechanical Engg.	1	1
EOF	2	2
Chemical Engg.	1	1
<u>Other Staff</u>		
Head Clerk	1	1
L.D.C./Cashier	4	4*
Stenographer	4	2
Typist	2	2
Economic Investigators	4	2

KVI Khadi and Village Industries.

EOF Entrepreneurship development & follow up.

As per State Govt. promotion policy one post of
L.D.C. has been converted to U.D. Post.

As in the case of Burdwan, there is no technical staff to assist the Managers. Nor is the situation any better in regard to ministerial staff. Against four sanctioned posts of economic investigators, only two persons are actually working. This is, needless to say, inadequate in relation of the size of the district and the amount of industrial activity going on. Regarding Extension Officer (Industries) who work at the block level, the situation in Midnapur is worse than that in Burdwan. Only about half of the sanctioned posts are filled up; so that many of the Extension Officers are looking after more than one block. The problems caused by the inadequacy in the number of Extension Officers in Midnapur district is mitigated somewhat by assigning each Functional/Project Manager one sub-division of the district and asking them to hold their officers in the sub-division once in a week to meet the entrepreneurs and check out the performance of various schemes.

It should be pointed out in this connection that for the State of West Bengal as a whole there are 15 posts of Project Managers for Mechanical Engineering, 15 for EDF and 15 for miscellaneous categories (including Chemical Engineering, Electrical Engineering, etc.). These posts are distributed by the State between different districts according to their needs. Thus, some districts may have four Project Managers while some others may have only two.

Entrepreneurs in Burdwan district are served by another "single-window" institution, besides DIC. This is called the Small Industries Development Agency (SIDA). It is a "single-window" institution set up by the State government. This agency extends assistance to entrepreneurs by supplementing and co-ordinating the efforts of promotional organisation. It works in association with the Directorate of Cottage and Small Scale Industries, West Bengal, West Bengal Financial Corporation (WBFC),

SISI, and other industry promotion organisations and input giving agencies at the State level. Projects involving fixed capital investment of Rs 2 lakh or more in five districts, of which Burdwan is one, are served by SIDA from its office at Calcutta. The main functions of SIDA are as follows: (1) to select prospective entrepreneurs and scheme vetting; (2) to arrange clearance of registration of SSI units; (3) to arrange allotment of sheds/land to prospective entrepreneurs; (4) to arrange clearance of cases of exemption of excess vacant land under West Bengal Urban Land (Ceiling & Regulation) Act 1976, and conversion of agricultural land into non-agricultural land, if required; (5) to arrange clearance of term loan from WBFC; (6) to arrange clearance for supply of power; (7) to arrange other clearances, including working capital loan, as may be necessary for setting up SSI units. The agency seeks to get clearance for entrepreneurs within a period of four months. The work done by SIDA is reviewed weekly in a meeting with representatives of all participating organisations. There is a high-powered monitoring committee which meets once a month to monitor the progress.

Besides the main office at Burdwan town, the DIC of Burdwan district has another office at Durgapur, which is engaged in ancillary development. For the Asansol-Durgapur area, there is a "single-window" service under Asansol-Durgapur Development Authority (ARDA) in which the DIC is much involved. The GM-DIC of DIC attends the "single-window" service under ARDA one day in a week. SISI has a branch office in Burdwan district at Durgapur.

Besides the main office at Midnapur town, the DIC of Midnapur district has another office at Haldia, whose main function is ancillary development. The West Bengal Small Industries Corporation (WBSIC) has a office in Midnapur district. The functions of this office of WBSIC are provision of factory shed, development of land, distribution of scarce raw materials,

and marketing of SSI products.

Assam

Organisation charts of DICs of Dhubri and Nagaon districts are shown in Tables 3.3 and 3.4, respectively. It is seen from these tables that, in sharp contrast to the situation prevailing in West Bengal, the number of Functional/Project Managers actually working are much fewer. The DIC for Dhubri district has two Functional Managers (against sanctioned posts of four Functional Managers), and the DIC for Nagaon district has one Functional Manager and one Project Manager (against sanction posts of four Functional Managers and one Project Manager). The DICs of Dhubri and Nagaon, on the other hand, have posts of Assistant Managers which are not there is the DICs of Burdwan and Midnapur. Thus, in DIC for Dhubri, two persons are working as Assistant Managers (against four sanctioned posts) and in Nagaon four persons are working as Assistant Managers.

At the block level, there are Extension Officers to look after the DIC work. In Dhubri district, there are 6 Extension Officers. In Nagaon district, there are 13 Extension Officers - 12 are working at block level and one is posted in the main office.

A brief discussion on a "single-window" agency working within the DIC set up in the districts of Assam will be useful here. This agency is called Udyog Sahayak. A large number of incentives have been announced by the State government under "Industrial Policy of Assam, 1986". Udyog Sahayak has been formed in each DIC for implementing these incentives. The Udyog Sahayak Cells in the DICs of Dhubri and Nagaon are headed by a Functional

TABLE 3.3

Organisation Chart of DIC OF Dhubri
District: 1988

Designation	Sanctioned post	Actually working
<u>Functional Managers</u>		
Marketing & Raw Materials Economic Investigation and M.E.	1	0
Credit	1	1
Marketing and KVI	1	0
<u>Project Managers</u>	-	-
<u>Others</u>		
Assistant Manager	4	2
Economic Investigators	2	1
Special Officer (Handloom)	1	0
Extension Officer	6	6

M.E. Machinery & Equipment.

KVI Khadi & Village Industries.

TABLE 3.4

Organisation Chart of DIC Nagaon, 1988

Designation	Sanctioned post	Actually working
Functional Manager	4	1
Project Manager	1	1
<u>Others</u>		
Assistant Manager	4	4
Extension Officer*	6	7
Economic Investigators	2	
D.H.	1	1
Head Asstt.	1	1
U.D.A.	2	2
L.D.A.	4	4
Steno	2	2
Typist	2	2

* These are in centrally sponsored scheme. There are in addition of posts of extension officers under Non-plan & state plan against which 6 persons are working.

Manager/Project Manager and have some of the technical staff. The main functions of Udyog Sahayak are listed below:

1. Proper and adequate publicity of the Incentive Scheme 1986 and rendering of all assistance to entrepreneurs to avail the same;
2. Identification of prospective entrepreneurs, preparation of a shelf of project reports and building up of a data bank to guide and motivate the potential entrepreneurs;
3. Enlistment of applications and issue of eligibility certificate;
4. Co-ordination with the connected agencies/administrative departments, and
5. Proper and effective implementation of the incentive scheme and issue of sanction thereof.

Besides the main office at Gauripur town, the DIC for Dhubri district has another office at Hatsingimari. This office is headed by an Assistant Director - Cottage Industries. It looks after the work of DIC (in a recommendatory capacity) for the South Shalmara Sub-division. Similarly, the DIC of Nagaon has offices at Hojai and Moregaon, besides the main office at Nagaon town, to look after the DIC work (in a recommendatory capacity) for these two sub-divisions. These offices are headed by Assistant Director - Cottage Industries. There is an industrial estate at Senchowa (having 20 sheds and one godown) and a commercial estate at Morigaon (having 5 sheds) under the DIC organisation. Assam Small Industries Development Corporation (ASIDC) has a branch office in Nagaon district, whose main function is to distribute scarce raw materials.

Other North-Eastern States

Staff pattern of DICs in the sample districts of other north-eastern States are shown in Tables 3.5 through 3.11.

TABLE 3.5

Organisational Chart of DIC in West Tripura
District: 1987

Designation	Sanctioned post	Actually working
<u>Functional Managers</u>		
Economic Investigation & RET	1	1
Machinery & equipment	1	1
Raw materials & Marketing	1	0
Credit	1	1
Cottage industries	1	1
<u>Project Managers</u>		
	-	-
<u>Others</u>		
Technical Assistant		5

RET Research, Extension & Training.

TABLE 3.6

Organisation Chart of DIC in Ukhru
District:

Designation	Sanctioned post	Actually working
<u>Functional Managers</u>		
Economic Investigation	1	0
Credit	1	1
Marketing	1	0
Cottage Industries	1	1
Infrastructure	1	1*
<u>Project Managers</u>		
Machinery	1	0
Glass & Ceramics	1	1
Handloom	1	1
<u>Others</u>		
Assistant Manager		1
Inspector (Stat./SSI/KVI)		3
Surveyer		5
Supervisor		2
Extension Officer		1

He is also looking after Economic Investigation.

TABLE 3.7

Organisation Chart of DIC of Andaman & Nicobar
Islands: 1988

Designation	Sanctioned post	Actually working
<u>Functional Managers</u>		
Economic Investigation	1	0
Raw Material & RET	1	0
Credit	1	1
ME & Village Industries	1	0
<u>Project Managers</u>		
Chemical	1	1
Woodworking	1	0
<u>Others</u>		
Industry promotion officer	2	1
Economic Investigator	2	2

RET Research, Extension & Training.

ME Machinery & Equipment.

TABLE 3.8

Organisational Chart of DIC in Aizwal
District: 1988

Designation	Sanctioned post	Actually working
<u>Functional Managers</u>		
Economic Investigation	1	1
Raw materials	1	0
Credit	1	0
Cottage industries	1	0
<u>Project Managers</u>		
Infrastructure	1	1
Handloom & Handicraft	1	0
<u>Others</u>		
Economic Investigators		4

TABLE 3.9

Organisational Chart of DIC of South & West
Districts of Sikkim

Designation	Sanctioned post	Actually working
<u>Functional Managers</u>		
Economic Investigation (also ME,RET & Raw materials)	1	1
Credit	1	1
Marketing	1	1
<u>Project Managers</u>	-	-
<u>Other Staff</u>	-	15

ME Machinery & Equipment.

RET Research, Extension & Training.

In the DIC for West Tripura district, there are five sanctioned posts of Functional Managers and four persons are actually working. One of the Functional Managers is, however, attached to the Directorate of Industries and is not doing work of DIC. There is no post of Project Manager. Thus, the restructuring of DIC organisation which was decided in 1981 has not yet been implemented in the DIC for West Tripura. Much of the work of DIC is done by Technical Assistants. There are five persons working as Technical Assistant in the DIC. At block level, the work of DIC is looked after by Extension Officers. There are two Extension Officers for each block, assisted by Field Assistants. SISI has an office in the district, whose main function is to provide technical advice and EDP support.

TABLE 3.10

ORGANISATIONAL CHART OF DIC IN TUENSANG DISTRICT : 1989

Designation	Sanctioned post	Actually working
Functional Managers	4	4*
Project Managers	Nil	Nil
Others		
Inspectors		2
Extension Officers		2

Note: * One person is on leave; two are working in sub-divisional offices.

In the DIC for Ukhrul district, there are five sanctioned posts of Functional Managers and three persons are working against these posts. The person working against the post of Functional Manager - Cottage Industries, however, does not sit in the DIC office, and is attached to a different agency. There are three sanctioned post of Project Managers and two persons are actually working. There is an Assistant Manager in the DIC and ten other technical staff. Interestingly, while there are five blocks, there is only one Extension Officer (Industries). Hill area Handloom Project, a Government Corporation, has an office in the district, whose main functions are (1) training of weavers, and (2) supply of raw materials and collection of products for sale.

TABLE 3.11

ORGANISATIONAL CHART OF DIC IN WEST KAMENG DISTRICTS : 1989

Designation	Sanctioned post	Actually working
Functional Managers	3	3*
Project Managers	-	-
<u>Others</u>		
Economic Investigators		2
Extension Officers		6

Note: * Two of them are working in sub-DICs at Tawang and Seppa.

In the DIC for Andaman & Nicobar Islands, there are four sanctioned posts of Functional Managers and two sanctioned posts of Project Managers. As against six sanctioned posts, only two persons are working. One person is working as Functional Manager,

and one person as Project Manager. There are two sanctioned posts of Industry Promotion Officer and one person is actually working. There are two posts of economic investigator and two persons are working. There are four Extension Officers (Industries), who cover among themselves eight blocks of the District. It would be realised that the number of Managers in the DIC is too few in relation to the work involved. This deficiency in the number of Managers is made more serious by the fact that there are no posts of Assistant Manager or Technical Assistant.

There is a branch office of SISI in Andaman & Nicobar Islands, whose main functions are: product identification, preparation of schemes, modernisation and quality improvement, and organisation of seminars for entrepreneurs.

In the DIC for Aizwal district, there are four sanctioned posts of Functional Managers and two sanctioned posts of Project Managers. One post of Project Manager is vacant and the person working against the other post is attached to the Directorate. Two persons are working against the posts of Functional Managers. One of them is incharge - General Manager. Four persons are working as Economic Investigators. For working at block level there are Extension Officers (Industries). The DIC does not have another office in the district. But, there are raw materials depot, training centres, and a common facility centre in engineering trade under the DIC. Apart from DIC, Zorem Industrial Development Corporation (ZIDC) is engaged in promotion of industries. The ZIDC also provides financial assistance for this purpose. IDBI has an office in the Aizwal district, this is concerned with refinancing and modernisation work.

In the DIC for South and West Districts of Sikkim, there are three sanctioned posts of Functional Managers and three persons are working. While two of them are in the disciplines of

credit and marketing, one of them is looking after the work relating to economic investigation, machinery and equipment, research extension and training and raw materials. There are no posts of Project Managers in the DIC.

In the DIC for Tuensang district, there are four sanctioned posts of Functional Managers and all the posts are filled. Two of them are working in sub-divisional offices of DIC (assisted by one Inspector each). There are no posts of Project Manager. There is only one Project Manager for the entire State of Nagaland, who is posted in the Directorate (Kohima). The DIC of Tuensang has two Extension Officers and four Inspectors.

There is an industrial estate in the district. There are several Training Centres - Weaving Training Centre, Cottage Industries Training Centre, Rural Artisan Programme Training Centre. There are two industrial growth Centres. There is an emporium which provides marketing assistance to entrepreneurs.

Banking service is provided by the State Bank of India, which has six branches in the district. However, out of 208 villages, only about 60 come under bank area. For the rest, DIC provides financial assistance through departmental seed/marginal money scheme.

In the DIC for West Kameng district there are three sanctioned posts of Functional Managers, and there persons are actually working. One of them is posted in the main DIC office at Bomdila; the other two are managing the two sub-DICs at Tawang and Seppa. There is no post of Project Manager. There are two Economic Investigators and six Extension Officers (Industries) who are attached to the BDOs.

There is a craft centre at Bomdila in which training is imparted in various trades and crafts. The craft centre has a production wing and an emporium. Rural Industrial Development Centre has been established at Dirang with assistance from HMT, with the objective of providing training in engineering trades among the drop-out students in rural areas, and undertaking production and service activities to meet the needs of Army and other allied establishments. Work is in progress for the establishment of industrial estates at Tawang, Wanghoo and Tipi, and an industrial growth centre at Dirang.

Arunachal Industrial Development Financial Corporation has an office in the district. The main functions of this office is to provide finance assistance and raw materials.

3.3 Power Delegation

There is much variation among DICs of the sample districts in regard to the extent of power delegated to them. Most of the power delegation, wherever it has occurred, is from the Directorate of Industries to DIC; there has been very little power delegation from input giving agencies, such as banks, financial institution and electricity department. The situation in different States is discussed below.

West Bengal

In the DICs of Midnapur and Burdwan, the GIs have been delegated power by the Directorate of Industries in respect of the following:

Registration of cottage and small scale industrial units;

- Sanctioning power of industrial loan under B.S.A.I. Act (maximum limit Rs 5,000);
- Sanctioning power of seed money upto Rs 25,000; and
- Sanctioning of subsidies of various type (relating to consultancy services, rent for shed, rent for land, fixed capital investment, captive power generating set, drawing of power line, interest on loans, return of octroi, return of sales tax, etc.) for units having investment in plant and machinery upto Rs 5 lakh (subject to approval of District Level Committee).

The two DICs also have the power to sponsor cases to banks/financial institutions for loan proposal, make recommendation for priority to State Electricity Board and Telephone Department, make recommendation for single point registration (for purchases of Government Departments and Agencies) and hire-purchase of machinery to NSIC and make recommendation for import licence to Joint Chief Controller of Imports and Exports (JCCI&E).

Both the GM consider the extent of power delegation inadequate and feel that to make the functioning of DIC more effective, there should be greater power delegation. Some of the specific suggestions made by the GM (DIC) of Midnapur or the GM (DIC) of Burdwan or both are as follows:

1. The sanctioning power of the Joint Director (Directorate of Industries) may be dispensed with and given to GMs of DICs;
2. DIC should have power to allot electricity connection;
3. DIC should have power to allot sheds and plots in industrial estates; and
4. The power of transferring and posting Extension Officer (who are presently under the control of BODs) should be with the GMs of DICs.

Turning now to the allocation of power within the DIC, in the DIC of Midnapur, the Functional Manager - EI has been given the power of issuing registration certificate. Also, he is the drawing and disbursing officer of all the funds. The Project Manager - Electrical Engineering has been given the power of vetting of schemes. Similarly, in the DIC of Burdwan, the Functional Manager - EI has been given the power of issuing registration certificates. The power for vetting of schemes has been given to a committee consisting of Functional Managers - EI and Credit and Project Manager - Mechanical Engineering. This committee meets every Monday to clear the cases.

Assam

The Directorate of Industries has delegated power to the DIC of Dhubri in respect of the following:

- Registration (except banned industries, e.g., saw mills, for which approval is needed from the Directorate of Industries);
- Sanctioning of seed money upto Rs 25,000;
- Sanctioning of Central Investment subsidy upto Rs 2.5 lakh, subject to the approval of a board set up for this purpose;
- Sanctioning of 50 per cent special subsidy to SC/ST entrepreneurs for investment upto Rs 50,000 in the case of SC entrepreneurs and Rs 1 lakh in the case of ST entrepreneurs, with approval of a board set up for this purpose;
- Sanctioning of Industrial loan under SAI Act (maximum limit Rs 5,000) on recommendation of Sub-Divisional Loan Advisory Committee;
- Sanctioning of grants-in-aid (maximum limit Rs 1,000);
- Sanctioning of in-plant training, study tour and prizes to best craftsmen; and

Issuing rural industry certificate (needed for availing subsidised electricity rates).

For power connection, telephone, single point registration and hire purchase of machinery, loans from financial institutions and banks and other inputs/facilities, the DIC has the power of making recommendations for priority and sponsoring of cases.

Udyog Sahayak, which has been constituted within the DIC structure, has the power of issuing eligibility certificate which is needed for availing the Incentive Scheme, 1986 of the State Government.

The situation in the DIC of Nagaon is similar. Thus, the GM has the power of giving registration, issuing rural industry certificate and sanctioning Central Investment subsidy (upto Rs 2.25 lakh), Transport subsidy (upto Rs 1 lakh), seed money (upto Rs 25,000), special subsidy for SC/ST entrepreneurs (for fixed investment upto Rs 50,000). For bank loan, telephone, single point registration and hire-purchase of machinery, the DIC can recommend for priority and sponsor the cases.

In both the DICs, the GMs are of the view that the delegation of power is inadequate and to make the functioning of DIC more effective, there should be greater delegation of power. The specific suggestions made by the GM of DIC of Dhubri or the GM of DIC of Nagaon or both the GMs are given below:

1. At present, the GMs of DIC have power to give provisional registration for one year. For extension of registration, the entrepreneur has to approach the Directorate of Industries. This power should be given to GMs of DICs;
2. Sanctioning power for seed money upto Rs 2 lakh should be given to GMs of DICs, while the disbursement may remain with ASIDC or some other financial institution which has seed money scheme;

3. At present an entrepreneur has to go to the NSIC office for one-point (store-purchase) registration with NSIC. To reduce inconvenience of entrepreneurs, the GM (DIC) should be delegated the power of giving this facility; and
4. There should be no non-official members in the boards constituted for approving/recommending sanction of financial incentives.

Other North-Eastern States

In the DICs of sample districts of other north-eastern States, the GMs have very little power delegation to them by the Directorate of Industries (or, for that matter, other input giving agencies). In Aizwal, West Tripura and Andaman & Nicobar Islands, the DICs do not have sanctioning power for any of the various incentive schemes which they implement. The DICs are in a position to make recommendations only to the Directorate of Industries. In Aizwal, the DIC has been given the power of registration, but in Andaman & Nicobar Island even this power has not been delegated to the DIC. In West Tripura, the GM of DIC has been delegated power of registration only for tiny units. The situation is slightly better in the DIC for Ukhrul district, which has been delegated the power of registration and the power of sanctioning seed money loan upto Rs 30,000. For all other matters, the DIC is in a position to make recommendation only.

Regarding power delegation, the situation in DIC of Tuensang is similar to that in West Tripura. The GM has the power of giving provisional registration for units with investment upto Rs 50,000 (except those based on forest resources and scarce raw materials). But, in other matters (e.g., loan, seed money, etc.), the GM can only make a recommendation. There is much greater power delegation in West Kameng. The GM has the power to sanction industrial loan and seed/margin money upto Rs 10,000. However, the GM does not have power to give provisional registration; it is

done by the DC.

The GMs of the DICs of sample districts of other north-eastern States are generally of the opinion that the present delegation of power to the DICs is quite inadequate and the DI should delegate more power to the DICs. The specific suggestions made are that the Directorate of Industries should delegate power of registration and sanctioning power (upto certain specified limits) for Central Investment subsidy, seed money and Industrial loan under SAI Act, to the GMs of DICs.

3.4 Functioning of DICs

DICs in the north-east region, as their counterparts in the rest of the country, carry out a large number of activities - some regulatory, others promotional; some directed to the establishment of new units, others for supporting existing units and revitalising sick units. Broadly speaking, the activities of the DICs are as follows:

1. Identification of Entrepreneurs and Motivation

To identify prospective entrepreneurs and to motivate them for setting up industrial units, DICs undertake intensive campaign, generally with the help of some other organisations, such as banks and financial institutions. In these campaigns, the prospective entrepreneurs are acquainted with various schemes/programmes and the assistance they can get from the DICs and from other organisations. Other methods used for identifying entrepreneurs and motivating them include seminars and Entrepreneurship Development Programmes (EDP). Personal contact being an important mode of disseminating information to the beneficiaries, the Extension Officer, through their work at block level, make an important contribution in this regard.

2. Product Selection and Project Profiles

DICs advice entrepreneurs on product selection and investment. For this purpose, surveys of industries and resource are undertaken from time to time and in general the DICs try to keep track of the changing conditions of demand and raw materials availability. Considering the market potentials and resource position of the district, the DICs prepare project profiles and procure project profiles from organisations such as SISI. DICs also collect on regular basis information on costs and supply sources of machinery and equipment. DICs provide assistance to prospective entrepreneurs in the preparation of detailed project report and give advice to the entrepreneurs on the purchase of machinery and equipment and on investment, in general.

3. Information and Support

DIC offices keep and make available to prospective entrepreneurs forms for various purposes - registration, bank loan, factory shed, hire-purchase of machinery, training, subsidies of different type, etc. Also, information on various types of assistance that an entrepreneur may require is made available to him in the DIC office. Some of these information are available in a written form; others are obtained by meeting the concerned officers. To give one example, the DIC of Andaman & Nicobar Islands makes available to prospective entrepreneurs information, among others, on the following items:

- (i) Entrepreneurial guidance;
- (ii) Selection of industries;
- (iii) Preparation of project report;
- (iv) Procurement of machinery;
- (v) Factory accommodation;

- (vi) Installation of machinery;
- (vii) Procurement of raw materials;
- (viii) Training in technical trades;
- (ix) Training in industrial management;
- (x) Improvement in the process of production;
- (xi) Development of ancillary unit;
- (xii) Provision of financial assistance;
- (xiii) Subsidies of various kind;
- (xiv) Solution of technical problems;
- (xv) Drawing and designs;
- (xvi) Marketing;
- (xvii) Participation in store-purchase programme;
- (xviii) Assistance in exports and imports for small scale industries; and
- (xix) Procurement of machinery on hire-purchase basis.

4. Training

Providing/arranging training for entrepreneurs is an important component of the functioning of DICs. A distinction may be made between general training in project management and training in technical trades. The first category includes EDP training which DICs organise generally with other agencies, once or twice in a year. The second category includes RAP training. Under this scheme, training is provided to rural artisans with a view to upgrade their skills. Training is also provided to persons desirous of self-employment in rural industries. After the completion of training, financial assistance is provided to the trainees for setting up their enterprises. Apart from RAP training, DICs organise/arrange for other types of training - some

on regular basis, others from time to time. To give a few examples of this type of training, in the DICs of Dhubri and Nagaon, there are schemes of (i) In-plant training, and (ii) study tour of entrepreneurs. In the DICs of Burdwan and Midnapur, there are training programmes under Bio-gas scheme.

5. Registration

It is not obligatory to seek registration for starting a small scale industrial unit, but registration of industrial units with the State Directorate of Industries is done for obtaining assistance for imported and scarce raw materials, financial assistance and incentives, and other assistance available from Government and other approved agencies.

For getting his unit registered, an entrepreneur has to submit an application in prescribed form duly filled in along with a scheme/feasibility report/project report to the GM of DIC.

Initially, an industrial unit is given provisional registration for one year to take effective steps for the establishment of the unit. After getting provisional registration, the entrepreneur can approach different agencies for credit, power connection, etc. If one-year period is not sufficient for the setting up of the unit, then the provisional registration is extended. It can be extended by six months at a time upto two and a half years. By the time, the units starts production and overcomes the problems of standardisation, marketing, etc., it becomes eligible for permanent (PMT) registration. The permanent registration is given by the DIC after the entrepreneur submits an application in the prescribed form.

6. Loan

With a view to give financial assistance to entrepreneurs (especially those who have limited financial resources available to them) DICs give industrial loans under the State Aid to Industries (S.A.I.) Act. In most districts, the maximum permissible ~~amount~~ amount of loan under this scheme is Rs 5,000.

Another type of loan given by DIC is under the seed/margin money scheme. This is a soft loan given to entrepreneurs to help them in meeting the margin money requirement which banks/financial institutions insist on at the time of giving a loan.

Other types of loan are also given by DICs. Thus, in the DICs of West Bengal, there is a scheme of return of sales tax as interest-free loan. This is available to new units and to existing units going in for substantial expansion. In the DICs for West Tripura, there is a scheme of interest free loan for construction of factory shed.

7. Subsidy

DICs sanction or recommend to DI for sanction of various subsidies. Each State has a number of schemes for giving subsidy to entrepreneurs. One scheme which is common to all the DIC is Central Investment Subsidy (CIS). This is a centrally sponsored scheme with the objective of attracting entrepreneurs to industrially backward areas by giving outright grant on fixed capital investment. The rate of subsidy is 25 per cent of the amount of fixed capital investment in category A (no industry) districts. All the sample district, except Burdwan and Midnapur, are of Category A and therefore entrepreneurs in these districts get CIS at the rate of 25 per cent. Midnapur being a Category B district, the rate of CIS is 15 per cent. Burdwan is a Category C

district and the rate of CIS is 10 per cent. However, for investment in this district, the State government gives an additional 5 per cent subsidy on fixed capital investment making the total subsidy rate as 15 per cent. In Hirapur, Solarpur and Durgapur blocks of Burdwan district investment in large scale industries exceed Rs 30 crore and there is therefore no central subsidy. In these blocks, the State government is bearing the entire subsidy of 15 per cent on fixed capital investment.

Another subsidy, which is quite common among DICs of north-eastern region (except those in West Bengal) is transportation subsidy. Under this scheme, the entrepreneurs of different districts of Assam get as grant 90 per cent of the cost of transportation of raw materials and finished goods from Siliguri to the location of the factory. Transport subsidy at the rate of 90 per cent is also admissible on the movement of raw materials within north-eastern region; but this does not apply to finished goods. Such transport subsidy is available also in Sikkim, Tripura, Nagaland and Manipur. In Andaman & Nicobar Islands, 90 per cent of the freight paid for bringing raw materials from mainland ports and sending finished goods to mainland ports is reimbursed.

Other schemes of subsidies which exist in most or all the DICs of the sample districts include:

- i. Interest subsidy on working capital;
- ii. Sales tax exception;
- iii. Refund of octroi;
- iv. Subsidy on power consumption;
- v. Subsidy on captive power generating sets; and
- vi. Subsidy towards preparation of project reports, etc.

8. Sponsoring and Recommending

Examination of project proposals submitted by entrepreneurs is done by the DIC, and after ascertaining its technical feasibility and economic viability, the cases are sponsored to banks/financial institutions for loan. Similarly, for power connection, telephone and several other facilities/assistance, DIC recommends cases to the concerned authorities/agencies.

9. Raw Materials and Marketing Assistance

DICs recommend the applications of entrepreneurs for import of raw materials to Joint Chief Controller of Imports and Exports. Similarly, for other crucial raw materials, DICs recommend the cases to the concerned authorities. Marketing assistance is provided through one-point registration with the NSIC. DICs recommend the applications of entrepreneurs for one-point registration to the NSIC. Other types of marketing assistance are also provided. These include marketing advice and dissemination of marketing intelligence, assistance through rural marketing outlets, registration for preferential store-purchase programme of the State government, and assistance through emporiums and participation in exhibitions.

10. Implementation of Programmes

DICs have been entrusted the job of implementing several programmes of the Central and State Governments. An important one among the programmes implement by the DICs is Self-Employment for Educated Unemployment Youth (SEEUY) programme. The details of this programme are discussed later in Chapter 5.

11. Miscellaneous Activities

Besides the nine main classes of activities of DIC discussed above, there are many other activities of DIC. Mentionable among them are (i) nursing of sick units; (ii) recommending cases for hire-purchase of machinery; and (iii) inspection/verification work in connection with PMT registration, subsidies, etc.

To carry out the activities listed above, the technical staff of the DICs have to work like a team with the GM as the leader of the team. The GM supervises and coordinates the work of different Managers. As the head of the office, he has to look after various administrative work. He has to coordinate the functioning of DIC with the functioning other departments/agencies/institutions. He keeps close contact with district administration, financial institutions, development agencies and local bodies. He is involved in large number of committees/councils at the district level in which he gives information relating to the work and plans of DIC and gives advice on issues relating to the industrial development of the district. He has to do a good deal of counselling work. Entrepreneurs come to him with their difficulties and complaints. He tries to solve their problems and redress their grievances. He organises and attends intensive campaigns, seminars, etc. He is frequently on tour to different parts of the district in connection with various work of DIC, such as, verification of cases of CIS and other subsidies, checking the progress of various schemes, meeting entrepreneurs and solving their problems, meeting municipal authorities, and taking part in loan recovery drives.

So far, the broad pattern of activities of DICs in north-eastern region have been discribed briefly. In what follows, some details of the functioning of DICs in West Bengal, Assam and other

north-eastern States are taken up.

West Bengal

In neither of the two sample districts, Burdwan and Midnapur, the DIC has an action plan (as a written document). But, the two DICs do function under certain targets and some plan of action for achieving these targets. In terms of such targets, these achievements have been substantial in Midnapur, and moderate in Burdwan district. In both districts, the GMs have taken follow up action to implement the "action plan" and remove bottlenecks. While the GM of DIC of Midnapur has taken follow up action by visits, by discussion with entrepreneurs, by discussion with input giving agencies, and with the help of seminars and open house discussion, the GM of DIC of Burdwan has depended primarily on the last two, i.e., discussion with input giving agencies and seminars, open-house discussion, discussion with Extension Officers, etc. It may be noted in passing that in both the DIC, actions plans are currently in preparation.

Two major programmes that the DICs of Burdwan and Midnapur are implementing are (i) SEEUY and (ii) Bio-Gas programme. The SEEUY programme is discussed in Chapter 5, and will therefore not be discussed here. Under the Bio-Gas programme, the DICs of Burdwan and Midnapur render assistance from the motivation stage to the construction stage (and even beyond till the Bio-Gas plant starts running smoothly). Under this scheme, training is provided to mason for the construction of the plant, and to the users for operating the plant. Time taken in giving the actual benefit is about 3 months. The main obstacles in implementing this programme are:

1. People are much reluctant to get a bio-gas plant constructed for them, and for this reason intensive motivation becomes necessary.

2. While banks generally sanction orders for construction of bio-gas plants (after DIC sponsors cases to banks), this is done after much persuasion and as a result the implementation of the programme get delayed.

Some statistics on the progress of bio-gas programme in the Midnapur and Burdwan districts are presented in Tables 3.12 and 3.13 respectively.

In Midnapur, dissemination of information regarding programmes, schemes, etc., is done through: (i) written correspondance, (ii) extension officers, (iii) peoples representatives at Panchayat level, (iv) seminars and compaign, and (iv) organisation of awareness camps. In Burdwan the main methods of disseminating information are through press advertisement and through Extension Officers. Neither district has a proper system of soliciting feedback from the beneficiaries. But, the DIC do get some information on the problems and difficulties of the entrepreneurs and to what extent beneficiaries are gaining from the various schemes through Extension Officers and through production returns.

In the DIC of Midnapur, the time spent in regulatory work vis-a-vis promotional work is in the ratio 1:1. In the DIC of Burdwan, a higher proportion of time is spent on promotional work than on regulatory work.

In both DICs, time limits have been specified for various entrepreneur oriented tasks. Thus, in Midnapur, the time limit specified for provisional registration is 15 days, for permanent registration 60 days, and for sponsoring of financial proposals 30 days. In Burdwan, the time limit specified for provisional registration is two weeks, for permanent registration four weeks, for margin money application two months, and for subsidy applications four months (depending on the amount of subsidy). It

is, however, pointed out by the GM of DIC, Burdwan that except for SSI registration it is generally not possible to strictly adhere to these time limits.

In the DIC of Burdwan, the GM checks the role played by his team member (1) by holding personal discussion, and (2) by random checking their files. In the DIC of Midnapur, the GM uses, besides the above two, the method of calling periodical (monthly) reports for checking the work of his other team members.

In neither of the two DICs, there is a scheme of incentives for officials who perform their duties comparatively better.

In the DICs of Burdwan and Midnapur, Performance targets are set on the basis of (1) achievements in the last few years, (2) State level targets/directives from the State government, and (3) suggestions of Extension Officers. Fixation of targets and formulation of action-plan for achieving the targets is done by the GM after detailed discussion with Functional and Project Managers. These targets and action-plan are discussed in planning committees at block and district levels. DIC's performance in relation to the targets is reviewed at the Directorate level by the Joint Director of Industries every quarter. Review of DIC's performance is also done by the District level coordination committee. Performance of DIC is also reviewed internally. Thus, there are monthly meetings of DIC staff in which the achievement and shortfall are discussed. Also, every quarter there is a review in which monthly reports of Managers and information on application received from entrepreneurs are taken into account.

Assam

In both sample districts, Dhubri and Nagaon, Action Plans were prepared in 1983 giving work programme, type of industrial units to be set up, availability of infrastructure and inputs, and credit requirement. In relation to the action plan in physical terms, the achievements have been substantial. The GMs of DICs of both districts have taken follow up measures to implement the action plan and remove bottlenecks. This has been done by visits, by discussions with entrepreneurs, by discussion with input giving agencies and through campaigns, seminars, open house discussions, etc.

The three main programmes implemented by the DICs for Dhubri and Nagaon districts are (i) SEEUY, (ii) Seed money programme and (iii) Rural artisan programme (RAP). Since the SEEUY and seed money programme are discussed later in Chapters 5 and 8, these will not be discussed here. In RAP, the DIC provides assistance in (i) identification of beneficiaries (which involves the work of collection of application and selection of candidates), (ii) training in established units and (iii) grants of tool and kits after the completion of training for helping the trainees set up their own enterprise. Under this programme, the time taken in giving actual benefit is between eight to twelve months. While the DIC of Dhubri has no difficulty in implementing this programme, the DIC for Nagaon has one difficulty in the implementation of RAP, which is that the sanction of amount for this purpose does not often come in time.

In Dhubri district, the dissemination of information from DIC to the beneficiaries is done through

- i. Udyog sahayak;

- ii. Extension Officers (Industries) who work at block level;
- iii. Campaigns, exhibitions, etc.;
- iv. District information and public relations officers, and
- v. District Employment Exchange Officer.

In Nagaon district, the dissemination of information from DIC to the beneficiaries is done through Extension Officers and the ADCI offices at sub-division level, who in turn give the information to the BDOs. Another method of disseminating information is the campaigns in which the schemes/programmes are explained to beneficiaries and literature of DIC and other promotional agencies are distributed. These efforts of DIC are supplemented by some DIC officials giving lectures in Adult education camps.

In neither DICs, there is a proper system of getting feedback from the beneficiaries. But some feedback is obtained through Extension Officers from conducting of campaigns and from Joint Inspection reports of banks and DIC staff.

The time spent in promotional work vis-a-vis regulatory work is the ratio 60:40 or higher. The time limits specified for various entrepreneur oriented tasks in the DIC for Dhubri is shown below:

- | | | |
|------|-----------------------------------|--------------------------------------------|
| i. | Provisional registration | 7 days |
| ii. | PMT registration | 15 days |
| iii. | Seed money | 7 days (subject to availability of funds)) |
| iv. | Sponsoring of cases for bank loan | 15 days |

v.	Subsidies	3 months
vi.	R.A.P.	45 days
vii.	Industrial loans and grants-in-aid	6 months

In the DIC for Nagaon also, time limits have been specified for various entrepreneur oriented tasks. Thus, the time limit for provisional registration is 7 days, and for PMT registration 15 days. The time limit for seed money cases is 7 days provided all necessary formalities are complete (again, subject to availability of funds). There are such time limits for other entrepreneur oriented tasks, and if there is any failure in this regard it is taken note of in the monthly meetings.

The GM of DIC of Dhubri checks the role played by his team member by (i) calling periodical reports, (ii) holding personal discussion, (iii) random checking ktheir files, and (iv) getting feed-back from the beneficiaries. He puts greater emphasis on personal discussion. The GM of DIC of Nagaon does not do random checking of files of his team member for checking their role, he uses the other three methods.

Neither of the two DICs has a scheme of incentives for officials who perform their duties comparatively better.

In Dhubri district, the process of target fixing starts with the GM preparing a note for the Sub-Divisional Planning and Development Councils. This note is thoroughly discussed in the councils and after it is approved it forms the basis on which physical targets are set. In preparing the note, the important considerations are: (1) infrastructure, (2) population, (3) need for new industrial units in the area, and (4) previous years performance of DIC. Once the physical targets are set, funds are allotted and a draft action-plan is prepared. There is a planning

cell within DIC which helps the GM in the formulation of the draft plan.

The performance of DIC in relation to the targets is reviewed internally in the meetings of the staff held regularly. In addition to this, the performance of DIC is reviewed every month by District Development Committee of which DC is the Chairman, and every quarter by District Level Advisory Committee in which DC is the Chairman, and MLAs and MP, and District Officers of development departments are member.

In Nagaon, the targets for the district under most heads is given by the Directorate of Industries. Based on these and considering also past performance, block-wise targets are formulated. These are discussed in the monthly meetings of the staff. Scheme-wise targets and the time by which it has to be done is made known to block level officers and officers at sub-division level. Attempts are made to achieve 50 per cent of the target by September and 75 per cent by December.

The performance of DIC is reviewed in the staff meetings held once in a month and in the meetings at sub-division level (with ADCI) and at block level (with BOD) Review of DIC's performance in relation to targets is also done by District Development Committee, District Consultative Committee for Bankers, and other such Committees.

Other North-Eastern States

In the DIC for South and West Districts of Sikkim, an Action Plan was prepared for the period 1983-84 to 1987-88. In the DIC for Ukhrul district, an Action Plan was prepared for the period 1983-84 to 1987-88. Subsequently, Annual Action Plans were prepared in this DIC for the year 1986-87 and 1987-88. In the DIC

for Andaman and Nicobar Islands, an Action Plan has been prepared recently for the years 1988 to 1990. In the DIC for West Kameng an action plan has been prepared recently for the period 1988-89 to 1993-94. In the DICs for Aizawl and West Tripura, Action Plans are under preparation. Although the DICs for West Tripura, Aizawl, Tuensang and Andaman and Nicobar Islands did not have an action plan for the last few years, these DIC did function with targets and some plan regarding the type of industries to be set up. The physical achievements of the DICs of sample districts of other north-eastern States have been good in relation to the Action Plan or the targets. In all the DICs, the GMs have taken follow up measure to implement the Action Plan/achieve the targets and remove bottlenecks. This has been done (1) by visits, (2) by discussion with entrepreneurs, (3) by discussion with input giving agencies and (4) through seminars, open house discussions and compaigns. Among these four, the GMs have generally put greater emphasis on the last two. However, in some districts, e.g., Tuensang, the first two has been mainly relied on.

Among the major programmes implemented by three DICs SEEUY is common. Other programmes implemented are SAI loan, seed money and RIP/RAP training programme. The main difficulty in the implementation of these programmes, other than SEEUY which is discussed elsewhere, is inadequate allocation of funds. Some DICs have also reported lack of interest among people as a serious difficulty in implementation.

For disseminating information (about programmes, incentives, etc.) to the beneficiaries, the main method used is personal contact/discussion. Also, Extension Officers who work at block level play an important role in disseminating information. Other methods are also used. Thus, in Ukhrul district, the DIC makes use of Radio (in local dialect), and putting up road side notices/posters. Similarly, the DIC for Andaman and Nicobar

Islands take the help of radio, newspaper, and campaigns and seminars, besides personal contact/discussion. In West Kameng, the DIC disseminates information to beneficiaries through exhibitions, EDP, Seminars, and student contact programme. The prime source of information feedback from beneficiaries to the DICs is through the Extension Officers.

In the DICs of Ukhrul and Andaman and Nicobar Islands, the time spent by DIC staff on regulatory work vis-a-vis promotional work is in the ratio 1:1. In the DICs of Aizwal, Tripura West, Tuensang, West Kameng, and South and West Districts of Sikkim, relatively more time is spent on promotional work. The ratio of promotional work to regulatory work is 2:1 or higher than that.

Some of the DICs of the sample districts of north-eastern States have specified time limits for completion of some of the entrepreneur oriented tasks. Thus, in Ukhrul, the time limits specified for provisional registration is seven days and for permanent registration one month. In the DIC for Andaman and Nicobar Islands, the time limits specified are 7 days for provisional registration, 15 days for permanent registration and 3 months for Central Investment Subsidy cases. In other DICs, on the other hand, no time limits have been specified. The GMs, however, point out that although there is no specified time limit, they try to do the entrepreneur - oriented tasks as quickly as possible.

For checking the role played by his team members, the GM of the DIC for Andaman and Nicobar Islands makes use all the four methods, namely, calling periodical reports, holding personal discussions, random checking their files, and getting feedback from the beneficiaries. In the DICs for West Tripura, West Kameng, Tuensang and Aizwal, the GM depends primarily on personal discussion. In the DIC for Ukhrul, the GM depend primarily on

periodical reports from his staff members. In the DIC for South and West Districts of Sikkim, the GM relies on personal discussion and feedback from beneficiaries for checking the role played by his team members.

None of the DICs have a scheme of incentives for officials who perform their duties comparatively better.

In the DICs for Aizwal and Andaman and Nicobar Islands, the targets are set by the Directorate and given to the DICs. In the DIC for Ukhrul, tentative target are first set at the DIC level through discussion among the Officers and Staff of DIC, and then these tentative targets are sent to the DI for finalisation. In the DIC for South and West Districts of Sikkim, the targets are set by District Planning Committee. However, basic input for this purpose in terms of statistical data, feasibility studies, etc., are done by the DIC. In the DIC for West Tripura, the targets are set on the basis of past performance and discussion with Extension Officers. To set the targets and formulate an action plan, meeting are held among DIC officials and staff and with banks and other agencies. In West Kameng, the DIC sets targets based on potential surveys and past performance, taking into consideration also the views of the staff members.

The performance of DIC in relation to the targets is reviewed internally in the monthly meetings of the DIC staff. In these meetings, feedbacks from beneficiaries obtained through the Extension Officers are taken into account. Review of DIC performance is also done in District Level Advisory/Planning Committees.

CHAPTER 4

ONE ROOF ORIENTATION

The main aim in launching the District Industries Centre (DICs) programme in 1978 was that the DICs would provide under one-roof all the facilities and assistance needed by an entrepreneur at pre-investment, investment and post-investment stages of his project. At the time the DIC programme was launched, an entrepreneur had to approach various authorities/agencies for the facilities/assistance he required relating to product selection, land and building, machinery, credit, raw materials, power, marketing, etc. Since many of these authorities/agencies had their offices away from the district, this used to cause considerable difficulty for the entrepreneur. The aim of the DIC programme was therefore to remove these difficulties and facilitate the work of the entrepreneur in the implementation and operation of his project.

The DIC programme has been in operation for over a decade. It is therefore important to ask: to what extent has the "single-roof" or "single-window" objective of the DIC programme been achieved.

4.1 West Bengal

In the two sample districts of West Bengal, Burdwan and Midnapur, the GMs of DIC are of the view that though the "single-window" objective is realistic, it has not been achieved or achieved only to a limited extent. This failure, the GMs attribute to the fact that for many of the facilities/assistance that entrepreneurs require, the DIC does not have a direct say in or control over the functioning of the concerned authorities/ agencies.

For preparation of project report, registration, and direct financial assistance from DIC (e.g., BSAI loan, subsidy, margin

money), the DICs have the power and information to make it unnecessary for the entrepreneur to contact other agencies. But, for other facilities/assistance, the DICs can only make a recommendation, which may not always be honoured. Thus, the GMs feel that in respect of loan from bank, which is undoubtedly a very crucial input, environment clearance, and conversion of land, the DICs do not have any worthwhile say in the decision making process. Only in the matters of power connection, priority for telephone and loan from WBFC, the GMs have some confidence that even though they do not possess power, their recommendations will generally prevail.

A related issue is that of providing entrepreneurs easier access to the facilities/assistance provided by DIC through other offices and extension counters of DIC within the district. This clearly involves taking the idea behind the "single-window" objective a step further, by reducing the inconvenience that entrepreneurs have to undergo in the repeated visits to the DIC office which is located in district headquarter and may be quite far off from the place of residence/work for many entrepreneurs. In this connection, it may be noted that neither of the two DICs has extension counters at block level, though both the GMs considered it desirable. In Midnapur district, the DIC has another office at Haldia, whose main function is ancillary development. Similarly, in Burdwan district, the DIC has another office at Durgapur (besides the main office at Burdwan town), whose main function is development of ancillaries.

4.2 Assam

The GMs of the two sample districts of Assam, Dhubri and Nagaon, are both of the view that the "single-window" objective is realistic but they are of different opinion regarding whether the objective has been achieved in reality. While the GM-DIC of Dhubri is of the opinion that the "single-window" objective has been mostly

fulfilled, the GM-DIC of Nagaon holds the view that this objective has not been achieved or achieved only to a very limited extent. The reason for non-realisation of this important objective is put as inadequate delegation of power.

Regarding preparation of schemes, registration, seed money, industrial loan (under SAI), grants-in-aid and RAP training, the DICs in the sample districts have sufficient power and information to make it unnecessary for entrepreneurs to contact other agencies. Regarding CIS, scarce raw materials, transport subsidy, material for construction of factory building, land for industrial purposes, and concession in power tariff for rural industry (on the basis on rural industry certificate issued by DIC), the DICs do not possess power, but are confident that their recommendations will prevail. However, in the matters of power and loan from banks, which are two crucial inputs, the DICs are not in a position to ensure that the entrepreneurs will get these inputs on the basis of their recommendation.

As in the case of West Bengal, the DICs in the sample districts of Assam do not have extension counters at block level, though the GMs consider it desirable. Besides the main office at Gauripur Town the DIC for Dhubri district has an office at Hatsingimari, headed by an Assistant Director, Cottage Industries. This office looks after all DIC work for that sub-division and recommends cases to the main DIC office. The DIC for Nagaon district has two other offices - at Hojai and Moregaon - besides the main office at Nagaon Town. These two offices are headed by Assistant Directors, Cottage Industries. These offices look after the DIC work (in recommendary capacity) at sub-divisional level.

4.3 Other North-Eastern States

All the GMs of the DICs of the sample districts of other

north-eastern States are of the view that the "single-window" objective is realistic; but they differ considerably in opinion on whether the objective has actually been fulfilled. This variation in the responses of GMs, needless to say, reflects the experience of different DICs in regard to the treatment that the cases recommended by them had from various input giving agencies.

In Aizwal, the GM of DIC holds the view that the "single-window" objective has not been achieved and this he attributes to inadequate delegation of power. Regarding registration and training, the DIC is in a position to provide complete assistance and the entrepreneur need not contact other agencies. But, for other types of assistance, the DIC can only recommend. Regarding seed money, SEEUY, raw materials and land allocation in industrial estate, the DIC is confident that though these are not within their power, their recommendations would prevail. Regarding bank loan, on the other hand, the DIC is not confident that its recommendation will always be honoured.

In West Tripura, the GM of DIC is of the view that the "single-window" objective has been fulfilled only to a limited extent. The view of the GM-DIC of Ukhrul (Manipur) is similar in this regard. In West Tripura, the DIC has power only for registration for tiny units. For all other types of assistance (including registration for non-tiny units), the DIC can only make a recommendation. Regarding power connection, trade license and raw materials, the DIC is confident that its recommendations will prevail. Interestingly, according to the GM of DIC of Tripura West this applies also to bank loan, though in some cases the sanction and disbursement of bank loans may be delayed.

In Ukhrul district, the DIC has complete power for giving registration. It can also grant seed money upto Rs 30,000. For these two matters, an entrepreneur need not contact any other

agency. But, for other facilities and assistance, the DIC can only recommend. Regarding SEEU, seed money (beyond Rs 30,000), licence and permit for units under Factories Act, and scarce raw materials, the DIC is confident that though these are not within its power, its recommendations will be honoured.

In Andaman and Nicobar Islands, the GM of DIC feels that the "single-window" objective has been mostly fulfilled, though for certain types of assistance (say, for timber) the entrepreneurs have to pursue their case in the concerned offices/agencies. While the objective has not been achieved fully, the hardship of entrepreneurs in terms of the number of visit they had to make (prior to the formation of DIC) to various offices/agencies has been significantly lessened. Interestingly, the DIC of Andaman & Nicobar Islands, has not been delegated any power, not even that of registration. For all matters it is in a position to make recommendations only. But for many types of assistance needed by the entrepreneurs, the DIC is confident that its recommendations will prevail. There include registration, loan from banks, SAI loan, plots in industrial estates, provision of power and octroi relief. For other types of assistance, the recommendations of DIC may not be always honoured. The DIC does not have any significant role in the decision making process regarding income tax concession and work orders of government departments.

In the DIC for South and West districts of Sikkim, the GM is of the view of that the "single-window" objective has been mostly fulfilled. Although loans from banks/financial institutions and power connection is not within the control of the DIC, their recommendation are almost invariably honoured.

The situation is similar in the DIC of West Kameng district. The GM has been delegated with the necessary power in respect of industrial loans and seed/margin money (both up to Rs 10,000).

Regarding registration, bank loan, and power connection, the GM is confident that his recommendation would prevail. Thus, the GM is of the view that the "single-window" objective has been mostly achieved.

On the other hand, the GM of Tuensang district feels that the "single-window" objective has been achieved only to a limited extent. The reason for this in his opinion, is the inadequate power delegated to him. The only important power that he has is that of granting provisional registration for units up to Rs 50,000 in capital investment (excluding unit based on forest resources or scarce raw material). However, the GM is confident that in regard to permanent registration, seed money, capital outright grant, bank finance and hire-purchase of machinery his recommendations would generally prevail. Regarding power connection the recommendations of DIC may not always work.

Turning now to the question of providing assistance to entrepreneurs through other offices and block-level extension counters of DIC within the district, five out of the seven DICs in other north-eastern States do not have another office in the district or extension counters of DIC at block level. In West Kameng district, the DIC does not have block level extension counters, but there is some decentralisation through the two sub-DICs functioning at Tawang and Seppa. Similarly, in Tuensang districts, DIC has offices at sub-division level. The GMs of DICs are of the opinion that the DIC should have extension counters at block level; in one DIC (for South and West Districts of Sikkim), the GM is of the opinion that there is no need for having extension counters of DIC at block level. The reason given by the GM is that the population of the area being covered by the DIC is small and the DIC itself can take care of the assistance needed.

It should be noted in passing that the information obtained from the enterprise survey indicate clearly that the DICs have not in general been able to achieve the "single-window" objective adequately. This is reflected in the complaints that entrepreneurs had about DIC functioning (see Chapter 2 above). Also, Table 4.1 bring out that for term loan, working capital loan, disbursement of capital subsidy and power connection, many entrepreneurs had to visit (often several times) offices other than DIC.

TABLE 4.1
OFFICES VISITED BY BENEFICIARIES FOR DIFFERENT PURPOSES

Purpose	Total no. of benefi- ciaries	Beneficiaries who visited DIC office		Beneficiaries who visited other offices	
		Number	(%)	Number	(%)
(1)	(2)	(3)	(4)	(5)	(6)
1. SSI registration	383	380	99.2	4	1.0
2. Term loan sanction	383	200	52.2	207	54.0
3. Term loan disbursement	383	98	25.6	243	63.4
4. Working capital loan	383	42	11.0	96	25.1
5. Capital subsidy sanction	383	158	41.3	10	2.6
6. Capital subsidy disbursement	383	54	14.0	99	25.8
7. Power	383	4	1.0	252	65.8

Note: Entrepreneurs who visited DIC office as also other offices for a particular purpose are included in both columns (3) and (5).

The above discussion brings out that in most districts the GMs of DICs are of the opinion that the main objective of the DIC programme of providing all facilities and assistance to the entrepreneurs under "single-window" has either not been achieved or achieved to a limited extent. Inadequate delegation of power to DIC is considered to be the main reason for this State of affairs. Inadequate power delegation, by itself, would not have been a problem for DIC in assisting entrepreneurs, if there was proper coordination between the DIC and other input giving agencies. Obviously, bodies entrusted with the job of coordination at the District and higher level have not been successful in achieving this to the desired extent. Thus, the two main suggestions that the GMs have made for better achievement of the "single-window" objective are (i) greater power delegation to DIC, especially in the matter of finance, and (ii) improved coordination between the DIC and other agencies. Another suggestion made in this regard is that if a committee consisting various input giving agencies is constituted and it meets regularly to clear up the cases, the DIC would be in a better position to provide the "single-window" service. Some DICs have also suggested increase in staff strength for better achievement of the "single-window" objective, reflecting the fact that in relation to the many types of assistance that the DIC would be required to provide if the "single-window" objective has to be fulfilled, the resources (human and financial) at the command of DIC are inadequate.

In all the DICs of the sample districts (except the one for South and West districts of Sikkim) the GMs consider it desirable to have extension counters of DIC at block level. Various reasons for given for this by the GMs. These are listed below:

1. This would help the initiation of industries from the grass-root level.

2. Though there are extension officers in the blocks, when the extension officer of a block is on tour, there is nobody to look after the work of DIC at block level.
3. This is useful for better publicity of DIC programme, and identification and motivation of artisans and entrepreneurs at block level.
4. This would help in getting more information about difficulties, suggestion and needs of the entrepreneurs.
5. This would reduce transportation problem and other allied problems for entrepreneurs. It will make possible closer coordination with rural development programmes.
6. This will lead to better dissemination of information on the programmes/assistance being implemented/provided.
7. This will permit closer tie up of DIC with the IRDP/TRYSEM programme.

CHAPTER 5

SELF-EMPLOYMENT FOR EDUCATED UNEMPLOYED YOUTH (SEEUY) SCHEME

This scheme was announced by the government on 15th August, 1983. The objective of the scheme was to mitigate the problem of unemployment among educated youth by providing opportunities for self-employment through industry, business and service routes.

The scheme was implemented by the DICs throughout the country, excepting towns having a population of 10 lakhs or more. The implementation was done on an annual basis during 1983-84, 1984-85 and 1985-86 with a target of 2.5 lakh ventures per year. The scheme has been included in the Seventh Five Year Plan with effect from 1986-87.

The scheme covers all educated unemployed youth who are matriculate (class Xth pass) and are within the age group of 18-35 years. Women and technically trained persons are given special consideration. From 1986-87 onwards ITI passed youths are also covered under the scheme for setting up industry and service ventures. There is reservation for scheduled caste/scheduled tribe candidates. From 1986-87 a minimum of 30 per cent of the total sanction has been reserved for scheduled caste/scheduled tribe beneficiaries. The scheme is meant for relatively poor sections of the society. With effect from 1986-87, a ceiling of income of Rupees ten thousand per family per annum has been fixed as the criteria for eligibility. The beneficiaries have to give an affidavit to this effect.

The loan limits under this scheme are as follows:

1.	For industrial ventures -	Rs 35,000
2.	For service ventures -	Rs 25,000
3.	For business ventures -	Rs 15,000

The loans to the beneficiaries are provided by nationalised banks on the recommendations of DIC Task Force about the suitability of the beneficiary. The interest rate is 10% in backward areas and 12% in non-backward areas. The banks do not ask for any security or margin for these loans. The repayment starts after an initial moratorium ranging from 6 to 18 months and the instalments range cover a period of 3-7 years. Government assistance is available in the shape of an outright capital subsidy to the extent of 25% of the loan amount contracted.

The Development Commissioner (Small Scale Industries) is the national coordinator of this scheme. He is responsible for allotting targets to States/U.Ts. He issues policy guidelines and monitors the progress of the scheme. The DC(SSSI) also authorises the release of funds to RBI for providing capital subsidy.

The implementation of the scheme rests with the State Governments and is done through the DICs. The DICs are responsible for receiving and scrutinising the applications. In each district, the Task Force for SEEUY has been constituted, consisting of the General Manager of DIC, Functional Manager - Credit, a representative from SISI, District Employment Officer and three bankers. The Task Force is responsible for selecting and recommending the cases to bankers for giving loans. The DICs are also responsible for providing package assistance to the beneficiaries and follow up the cases of the beneficiaries under the scheme.

The bankers are responsible for sanctioning and disbursing the loans on recommendations of the Task Force. They are also responsible for the recovery of the loans. The RBI is responsible for administering the capital subsidy.

The progress of the SEEU scheme at the national level since its inception in 1983-84 is shown in Table 1 below:

TABLE 5.1

Year	Target	Number of applications received	Number of cases recommended	Number of cases sanctioned by banks	Amount of loan sanctioned
	(lakh)	(lakh)	(lakh)	(Lakh)	(Rs. crore)
1983-84	2.5	13.71	4.28	2.42	402
1984-85	2.5	8.97	3.68	2.29	430
1985-86	2.5	8.58	3.43	2.21	430
1986-87	2.5	7.69	2.01	2.19	455

Considering the number of applications received in relation to the target, it is clearly seen from Table 1 that the programme has been quite popular. Also, judged on the basis of the number cases sanctioned by banks, the achievement has been quite good. Thus, taking the four years 1983-84 to 1986-87 together, the target for the SEEU scheme was 10 lakh, while 9.1 lakh cases were sanctioned by banks (i.e. an achievement ratio over 90 per cent).

Similar conclusions are reached by analysing statistics on the progress of SEEU scheme in North-Eastern States, which are presented in Tables 2, 3 and 4. It is seen that while there were

Table : 2 : Progress of SEEUY Scheme in North-Eastern States : 1983-84.

State/ U. T.	Target (000)	no. of appli. recei. (000)	no. of cases recomm ended (000)	Sanctioned by banks	
				no. (000)	Amount (Rs. crore)
Assam	6.70	22.02	10.94	8.02	15.40
Manipur	1.00	5.14	1.46	0.99	1.80
Meghalaya	0.40	0.85	0.63	0.35	0.75
Nagaland	0.25	0.32	0.25	0.19	0.39
Sikkim	0.10	0.07	0.003	0.02	0.04
Tripura	0.90	1.74	0.96	0.70	0.97
West Bengal	25.50	113.42	41.97	23.68	44.82
A & N Islands	0.10	0.26	0.11	0.07	0.15
Arunachal Pradesh	0.20	1.37	0.18	0.20	0.43
Mizoram	0.20	1.37	0.18	0.20	0.43
North eastern States	35.35	145.29	56.59	34.26	64.81
All India	250.00	1371.29	427.74	242.41	401.54

Table 3

Progress of SEEUY Scheme in North-Eastern
States : 1984-85

States/U.T.	Target ('000)	no. of applica tions rece ived ('000)	no. of cases recommen ded ('000)	Sanctioned by banks	
				no. ('000)	Amount (Rs. crore)
Assam	8.20	13.25	10.27	7.64	16.30
Manipur	1.20	6.06	1.01	0.99	2.28
Meghalaya	0.40	0.56	0.31	0.31	0.63
Nagaland	0.20	N.R.	N.R.	0.27	0.59
Sikkim	0.05	0.08	0.08	0.05	0.10
Tripura	0.70	NR	0.78	0.71	1.32
West Bengal	24.10	71.45	38.26	23.10	45.33
A & N Islands	0.10	0.13	N.R.	0.10	0.24
Arunachal Pradesh	0.05	0.14	0.08	0.06	0.13
Mizoram	0.20	0.81	0.71	0.20	0.33
North- Eastern States	35.20	- -	-	33.43	67.25
All India	250.00	896.63	368.21	228.80	429.52

N.R. = not reported.

Table 4 Progress of SEEUY Scheme in North-Eastern States, 1985-86

States/U.T.	Target ('000)	no. of applica tions received ('000)	no. of cases recommen ded (8000)	Sanctioned by banks	
				no. ('000)	Amount (Rs crores)
Assam	6.20	15.59	7.40	4.63	10.27
Manipur	1.50	5.07	1.51	1.49	3.63
Meghalaya	0.30	0.56	0.28	0.11	0.14
Nagaland	0.20	0.40	0.17	0.17	0.33
Sikkim	0.10	0.08	0.08	0.05	0.12
Tripura	0.90	1.03	1.03	0.91	1.75
West Bengal	24.30	115.89	36.24	21.89	43.49
A&N Islands	0.10	0.22	0.15	0.10	0.25
Arunachal Pradesh	0.10	0.12	0.09	0.06	0.15
Mizoram	0.20	0.62	0.23	0.10	0.15
North- Eastern States	33.90	139.58	47.18	29.51	60.28
All India	250.00*	857.81	342.92	220.72	429.99

*Including 7 thousand undistributed

marked shortfalls in terms of the targets to be achieved under the scheme for some states in some years, on the whole the performance/achievement of the North-Eastern States has been as good as that at the all India level.

Statewise Performance in the SEEUY Scheme

5.1 West Bengal

In terms of the target and achievement under the SEEUY scheme, West Bengal tops the list among the north-eastern States. As seen from Table 4 above, the target under SEEUY for West Bengal in 1985-86 was 24.3 thousand, as against the target of 33.9 thousand for all the ten north-eastern states taken together. West Bengal accounted for one tenth of total target for the country. Also, the share of West Bengal in total number of cases sanctioned by banks was about one tenth.

The ratio of cases sanctioned to the target during 1983-84, 1984-85 and 1985-86 in West Bengal and at all All India level is shown below.

Year	Ratio of number of cases sanctioned by banks to target	
	West Bengal	All India
1983-84	93%	97%
1984-85	96%	92%
1985-86	90%	88%

It is seen that in the last two years the achievement ratio in Bengal was slightly better than that at All India level.

DICs in the sample districts (Midnapur and Burdwan) provide a lot of assistance in the implementation of the scheme. The activities done by the DICs in this regard are:

1. receiving applications
2. scrutinizing applications
3. preparing schemes (project profiles)
4. selecting beneficiaries (holding interviews for this purpose)
5. following up the cases with banks
6. providing assistance to beneficiaries in getting power connection
7. rendering training to the assisted entrepreneurs (in certain cases); and
8. assisting banks in loan recovery.

In the two sample districts, the time taken in giving actual benefit under the SEEU scheme is about six/seven months. Two/three months time is taken from application stage to sponsoring stage and three/four months time is taken from sponsoring stage to sanctioning stage. The actual setting up of the enterprise, however, takes a much longer time since there is a further time lag between sanction and disbursement. This delay in certain cases is as much as six/seven months.

There is a task force for the implementation of the scheme. In the selection process of beneficiaries under SEEU, the Block Development Officer, Extension Officer (Industries) and local branch managers of banks are involved. For implementing the scheme, the districts have been divided area-wise and each FM/PM

has been entrusted with one area. This helps in closer follow up of the cases.

Physical progress/achievement made under the SEEUY scheme in Midnapur and Burdwan districts are shown in Tables 5 and 6. It is seen that in both district between 2 to 3 thousand persons are getting benefit under the scheme. This, as the later discussion will bring out, is much higher than corresponding figures for other sample districts in north eastern region.

One interesting point that Table 5 brings out is that the number of cases in which loan is disbursed is much smaller than the number of cases sanctioned by banks. This tallies with a point made earlier that there is a significant time lag between sanction and disbursement of loan under SEEUY scheme.

Regarding employment generation under SEEUY scheme, it is seen from Table 6 that, in a typical enterprises set up under the scheme in Burdwan, employment is provided to one or two persons besides the beneficiary. The same situation prevails in Midnapur. Thus, in 1986-87, 682 new industry/service units were set up under the self-employment program. These provided employment to 1827 persons, i.e. in a typical unit employment was provided to two persons in addition to the beneficiary.

The major obstacle in the implementation of the SEEUY scheme in the sample districts are: lack of sufficient coordination between banks and DIC (in Burdwan) and inadequate time availability for carrying out the tasks involved (in Midnapur). It has been pointed out that all jobs relating to the scheme have to be completed with in a period of three months starting from September. In order to appreciate the inadequacy of the time available, it should be noted that the DIC Midnapur gets over 25 thousand applications in a year. Scrutinizing the

Table 5Achievement under SEELY scheme in Midnapur District

Year	Target	no. of cases sanctioned by banks	Amount of loan sanctioned (Rs. lakh)	no. of cases loan disbursed
1985-86	3000	2673	572	1849
1986-87	3000	2036	438	193*

* incomplete figure

Table 6Achievement under SEEUY scheme in Burdwan District

Year	no. of persons provided assistance	Amount (Rs. lakh)	employment generated
1984-85	2264	407.50	5210
1985-86	2626	525.80	6570
1986-87	1941	528.63	4695

applications, holding interviews and sponsoring cases to banks take a lot of time and effort when the number of applicants is so large. Indeed, the SEEU scheme seems to have become a major burden on the DICs in the sample districts of West Bengal and this has possibly interfered with other important activities of the DICs.

5.2 Assam

In 1985-86, the target under SEEU for Assam was 8.2 thousand which was 3.3% of the target at the national level. The number of cases sanctioned was 7.64 thousand, which comes to 764 cases per DIC on average. Taking 1983-84, 1984-85 and 1985-86 together, the target for Assam was 21.1 thousand, while the number of cases sanctioned by banks was 20.3 thousand. Thus, the achievement ratio was 96% in Assam as against 92% at All India level for the comparable time period.

As in West Bengal, the DICs in the sample districts of Assam (Dhubri and Nagaon) provide a lot of assistance for the implementation of the SEEU programme. The activities done by them in this regard include: providing publicity to the scheme, receiving the applications, processing/scrutiny of application, field enquiry (done by extension officers) selection of beneficiaries (holding interviews), and sponsoring cases to banks. There is a Task Force Committee for the implementation of the scheme. The GM-DIC is the Chairman. Among the members of the Committee are Lead Bank Officer, F.M. - Credit, Incharge of Employment Exchange of the District/District Employment Officer, representative of SISI and coordinating officers of SBI and PNB.

Time taken in giving actual benefit is relatively short in the sample districts of Assam in comparison with the situation in West Bengal. Thus, in Dhubri district only two/three months time

is taken and in Nagaon district three/four months time is taken for giving actual benefit.

The progress/achievement under the SEEU scheme in Dhubri and Nagaon districts is shown in Tables 7 and 8. Comparing the number of cases sanctioned by the banks with the target, it is seen from the tables that the achievement has been good. It has been somewhat better in Nagaon district than in Dhubri district. It is seen from Table 7 that there is a large gap between number of cases sanctioned and number of cases in which loan is disbursed. Only in half of the cases sanctioned, disbursement has taken place.

It may be added here that even after the disbursement of the loan, the setting up of the enterprise may not take place. An evaluation of the SEEU scheme during the year 1983-84 in Nagaon district, conducted by a committee constituted by the Central Government, has found that 62% of the beneficiaries were in running condition. Though no such information is available for Dhubri district the relevant ratio is perhaps of the same order of magnitude if not lower.

For a proper assessment of the functioning of SEEU scheme it would be useful to study what type of persons get benefit under the scheme and what sort of enterprises are set up by them. This aspect has been analysed for Nagaon district for 1986-87. During this year the physical target under SEEU for Nagaon district was 700. A total number of 2217 applications were received, the District Task Force selected 776 beneficiaries and 682 cases were sanctioned by the banks involving an amount of Rs 171 crores. A wide variety of trades/activities were proposed to be started by the beneficiaries, including grocery shop, tea stall, Homeo clinic, dairy farm, fishing, tent house, photo studio, dry cleaning, cycle repairing, Radio and T.V. servicing, watch

Table 7

Achievement under SEEUY scheme in Dhubri district

year	Target	no. of applications received	no. of cases sponsored to banks	no. of cases sanctioned by bank	cases of disbursement as ratio of cases sanctioned by banks (per cent)
1983-84	285	560	409	295	N.A.
1984-85	460	685	556	350	44.5*
1985-86	350	341	347	266	44.2*
1986-87	350	528	362	274	54.4

N.A. = not available

* relates to erstwhile Goalpara district

Table 8Achievement under SEEU scheme in Nagaon district

Year	Target	no. of applications received	no. of cases sponsored to bank	no. of cases sanctioned by banks	Amount sanctioned (Rs. in lakh)
1983-84	700	3315	1431	858	196 196
1984-85	700	2606	1115	939	200
1985-86	700	1842	745	609	142
1986-87	700	2217	776	682	171

repairing, automobile workshop, trunk factory, furniture making, steel fabrication, yarn dyeing, lungi printing, oil expeller, candle making, bakery, blow moulded plastic container manufacturing and aluminium and brass spoon making. Since the list of trades/activities is very long, only 16 major lines (each having atleast ten beneficiaries in that year) have been chosen for analysis. These 16 traders/activities accounted for over two-thirds of the total number of cases sanctioned by banks. The distribution of beneficiaries according to caste, sex and the type of activity chosen is presented in Table 9.

From an analysis of the data presented in Table 9, the following conclusions emerge.

1. A fairly large proportion of beneficiaries are engaged in primary (e.g. Dairy) or trading (e.g. grocery shop) activities and not in industry and service activities.
2. 89% of the beneficiaries are male and 11% female.
3. While the male beneficiaries are spread over various activities, the female beneficiaries are concentrated in a few lines. Thus, of the total 50 female beneficiaries, 27 are in knitting, embroidery, tailoring and cloth shop.
4. 37% of the beneficiaries belong to S.C., S.T. or other backward classes, and 63% of the beneficiaries are of general caste. This is obviously the result of the reservation policy under the SEEU scheme.
5. A relatively low proportion (about 40%) of the beneficiaries belonging to S.C., S.T. and O.B.C. have chosen industrial and service activities compared with the relevant ratio (about 50%) for beneficiaries of general caste, though the difference is small.

In both districts Dhubri and Nagaon, the main obstacle to the implementation of the SEEU scheme is inadequate coordination between DIC and Banks. The cases selected by DICs may not get their loans sanctioned from the banks, and what is more serious, even after getting loans sanctioned, disbursement does not take place in many cases.

TABLE 5.9

DISTRIBUTION OF BENEFICIARIES UNDER SEEDY SCHEME IN NAGAR DISTRICT: 1986-87

Trade/activity	Total	SC		ST		OBC		General		Total male	Total female	Total SC, ST	Total general caste
		M	F	M	F	M	F	M	F				
1. Dalmoth, bhujia mfg/lozence, chocolates, etc.	10	1	0	0	0	1	0	8	0	10	0	2	8
2. Oil expeller	19	2	0	0	0	5	0	12	0	19	0	7	12
3. Bamboo tarza & cane products	14	1	0	0	0	3	0	9	1	13	1	4	10
4. Furniture house	17	2	1	0	0	1	0	12	1	15	2	4	13
5. Dairy farm	39	1	0	1	0	10	1	22	4	24	5	13	26
6. Poultry farm	22	2	0	0	0	3	1	13	3	18	4	6	16
7. Fishery	47	2	0	1	0	10	0	34	0	47	0	13	34
8. Ready made garments making	25	3	1	0	0	3	0	17	1	23	2	7	18
9. Knitting, embroidery, tailoring	22	0	3	0	0	3	5	1	10	4	18	11	11
10. Clothshop and tailoring	16	2	3	0	0	3	2	2	4	7	9	10	6
11. Rickshaw body building and assembly (sale & service)	27	5	0	1	0	7	0	14	0	27	0	13	14
12. Yarn dying	11	2	0	2	0	3	0	4	0	11	0	13	14
13. Radio, TV, VCR, repair and sale	30	2	0	1	0	5	0	22	0	30	0	8	22
14. Vehicle repairing and assembling; sale of spare parts	15	0	0	1	0	3	0	11	0	15	0	4	11
15. Steel fabrication	19	0	0	0	0	3	0	16	0	19	0	3	16
16. Tent house	35	1	0	1	0	10	0	20	3	32	3	12	23
17. Grocery shop	73	8	0	4	2	25	0	31	3	68	5	39	34
18. Book stall; stationery shop	26	2	0	1	0	6	1	16	0	25	1	10	16
Total	467	36	8	13	2	104	10	264	30	417	50	173	294
	100.0	7.7	1.7	2.8	0.4	22.3	2.1	56.6	6.4	89.3	10.7	37.0	63.0

Notes: S.C. : Scheduled Castes,
S.T. : Scheduled Tribese
O.B.C. : Other Backward Classes.

5.3 Other North-Eastern States

In other north-eastern States (excluding Meghalaya), the target under SEEUY scheme was 3.1 thousand in 1985-86 and the number of cases sanctioned by banks was 2.9 thousand in that year. On average, target per DIC was 116, number of applications received per DIC was 279, number of cases recommended per DIC was 121 and number of cases sanctioned by banks per DIC was 107. Evidently, in a typical DIC in the other north-eastern States, the SEEUY scheme was operated on much smaller compared to the situation in West Bengal and Assam.

As in West Bengal and Assam, the DICs in other north-eastern States provide much assistance for the implementation of SEEUY scheme, from the stage of receiving applications to the stage of sponsoring cases to banks, and even (in some cases) to the stage of implementation of the projects. There is a Task Force Committee for the implementation of the SEEUY scheme, which includes the GM-DIC, FM-Credit, a representative from SISI and local bank managers.

In most of the sample districts of north-eastern states, the time taken in giving actual benefit is between 2 to 4 months which compares favourably with the time that the DICs of sample districts in Assam and West Bengal take in giving actual benefit.

The achievement/progress made under the SEEUY scheme in some of the sample districts in other north-eastern states is shown in Table 10 through 14.

TABLE 5.10
ACHIEVEMENT UNDER SEEUY SCHEME IN WEST TRIPURA DISTRICT

Year	Target	Number of cases sponsored	Number of cases sanctioned	Number of cases loan disbused
1983-84	450	502	417	360
1984-85	370	450	386	343
1985-86	440	541	472	415
1986-87	440	495	458	308

TABLE 5.11
ACHIEVEMENT UNDER SEEUY SCHEME IN ANDAMAN & NICOBAR ISLANDS

Year	Target	Number of application received	Number of cases recommended	Number of cases sanctioned	Amount sanctioned (Rs lakh)	Amount disbursed (Rs lakh)
1983-84	100	256	112	66	14.97	12.36
1984-85	100	117	107	101	23.67	20.95
1985-86	100	218	119	101	24.56	20.63
1986-87	100	268	111	74	16.10	12.18
1987-88	50	173	60	39	8.77	7.38

TABLE 5.12

ACHIEVEMENT UNDER SEEUY SCHEME IN AIZAWL DISTRICT

Year	Target	No. of appli- cation received	Sponso- red (no.)	Sanctioned		Disbursed	
				No.	Amount (Rs lakh)	No.	Amount (Rs lakh)
1983-84	175	1017	152	119	34.83	119	26.36
1984-85	140	649	162	142	32.37	137	29.17
1985-86	120	622	125	120	28.79	118	24.98
1986-87	135	413	140	128	28.98	61	10.57
1987-88	60	264	60	48	8.78	24	5.94

TABLE 5.13

ACHIEVEMENT UNDER SEEUY SCHEME IN UKHRUL DISTRICT

Year	Target	No. of appli- cation received	Sponso- red (no.)	Sanctioned		Disbursed	
				No.	Amount (Rs lakh)	No.	Amount (Rs lakh)
1983-84	110	180	110	110	16.47	110	16.47
1984-85	70	160	70	70	14.76	70	14.76
1985-86	92	172	92	87	17.19	87	17.19
1986-87	86	164	86	86	19.84	86	19.84
1987-88	43	91	43	43	14.27	43	14.27

TABLE 14

**ACHIEVEMENT UNDER SEEUY SCHEME IN SOUTH AND WEST DISTRICTS
OF SIKKIM**

Year	Target	Number of applications received	Number of cases sponsored	Number of cases sanctioned by banks	Amount (Rs lakh)
1983-84	100	65	28	15	3.65
1984-85	50	77	77	49	10.30
1985-86	100	83	76	49	12.17

It is interesting to note from Table 10 that in West Tripura district the number of cases sanctioned by banks for loan under the SEEUY scheme exceeds the target for the district in all the four years. Though disbursement has taken place in lesser number of cases than sanctioned, the ratio of cases in which loan is disbursed to cases in which loan is sanctioned is higher in West Tripura than corresponding ratios for sample districts in Assam and West Bengal.

The absence of any large gap between loan sanction and loan disbursement is also seen in the case of Andaman and Nicobar Islands and Aizwal in Tables 11 and 12. It is seen, however, that the number of cases sanctioned has fallen short of the target in the first year and the last two years, although the number of cases recommended by DIC is generally more than the target. In Ukhrul district, on the other hand, almost all cases sponsored by DIC has been sanctioned by the bank, as seen from Table 13. In the South and West Districts of Sikkim, the number of cases sponsored is lower than the target in two out of three years for which data are available. The number of cases sanctioned by banks is lower than the number of cases

sponsored and also the target.

In Tuensang district, there have been 61 beneficiaries under the SEEUY scheme, most in the years 1985-86 and 1986-87. During 1987-88, there were 9 beneficiaries.

In West Kameng district, the target under SEEUY for 1987-88 was 5 persons. Applications were received from 6 persons and five cases were sponsored. In none of these cases, bank has sanctioned and disbursed the loan.

Turning now to the difficulties faced by DICs in the implementation of SEEUY, in some of the sample districts (e.g., Andaman & Nicobar Islands), the DICs reported no difficulty in the implementation of the scheme. In others, the main obstacles mentioned were inadequate coordination between DIC and banks (in the case of West Tripura), inadequate interest among people (West Kameng), non-implementation of the project by the beneficiary even after getting the loan (in Ukhrul and Tuensang), and insufficient post-sanction monitoring (in Aizwal).

CHAPTER 6

POVERTY ALLEVIATION PROGRAMMES

At the time of initiation of the DIC programme, it was envisaged that the DICs would develop close linkage with the poverty alleviation programmes of the government, such as Integrated Rural Development Programme (IRDP) and Training of Rural Youth for Self-Employment (TRYSEM). Discussions with managers of DICs of the sample districts of the north-east region, however, revealed that this has not taken place in a significant measure in the north-eastern States, with the exception of West Bengal where the extent of participation of DIC in the IRD/TRYSEM programmes is much greater than the situation prevailing in other States of north-east region.

The contributions of DICs in the IRD and TRYSEM programmes in north-eastern States are shown in Table 1. The sharp difference between West Bengal and other States of north-east region in regard to the extent of involvement of DICs in the IRD and TRYSEM programmes is clearly seen from the table. In West Bengal, a typical DIC prepares about 3 thousand bankable projects in a year for District Rural Development Agency (DRDA) identified poor and provides escort service to about 3 to 4 thousand identified poor. Various types of assistance are provided to the DRDA identified poor including purchase of tools, arrangement of raw materials, technical assistance, marketing support, credit and subsidies, etc.

It is seen from Table 1 that, on average, DICs in West Bengal arrange training for 150 to 200 DRDA identified rural poor in a year. The trades in which training is given include carpentry, wiring, blacksmithy, pottery, leather, welding, radio and T.V. repairing/servicing, pumpset repairing, cycle repairing, bio-gas plant, bee keeping, and knitting and tailoring. It is also seen

TABLE 1

Role of DICs Under IRD/TRYSEM Programmes in North-East Region

State/Union	(Numbers per DIC)					
	Number of bankable projects prepared by DIC for DRDA identified poor for setting them in industries (per DIC)		Escort services provided to rural poor identified by DRDA : no. given assistance (per DIC)		Training arranged for identified rural poor : no. trained (per DIC)	
	1984-85	1985-86	1984-85	1985-86	1984-85	1985-86
West Bengal	3436	2817	2821	4009	200	144
Assam	54	2	46	Neg.	44	Neg.
Manipur	6	4	Nil	Nil	Nil	18
Meghalaya	5	14	57	Neg.	Nil	11
Nagaland	5	5	4	2	7	3
Sikkim	30	24	20	40	100	100
Tripura	46	35	63	33	125	N.A.
Andaman & Nicobar Islands	32	163	10	56	64	33
Arunachal Pradesh	42	69	69	31	61	17
Mizoram	Nil	10	Nil	Nil	Nil	Nil
All India	1910	698	1078	881	282	182

Note: Neg. = Negligible

N.A. = Not available

from the table that in regard to arrangement of training for identified rural poor, the performance of DICs in Sikkim and Tripura has been quite good. In Sikkim, the trades in which training is given include cutting, tailoring, Lepcha handloom weaving, carpet making, Nepali weaving, knitting and embroidery. In Tripura, the trades in which training is given include weaving, tailoring, carpentry, welding, automobile servicing, basket making, and book-binding.

One point which must be emphasised here is that although in the north-eastern states, barring West Bengal, there is not much involvement of the DICs in IRDP/TRYSEM, the managers of the sample districts were of the view that they are contributing significantly to the poverty alleviation efforts of the government through various programmes that they undertake, such as RAP and SEEUY. The SEEUY has already been discussed in Chapter 5 above, and will not be discussed here.

The nature and extent of linkages between DICs and IRDP/TRYSEM and the achievements made in RAP and other such programmes in the sample districts are discussed below.

6.1 West Bengal

In Midnapur, the DIC is providing a good deal of assistance to DRDA in the poverty alleviation programme in ISB sector. DIC is involved in preparation of project profiles, vetting of schemes and monitoring of the programme. There is another agency in Midnapur entrusted with poverty alleviation work. This is the SC/ST Development Corporation which focuses on poverty alleviation programme in ISB sector for SC/ST beneficiaries. The DIC of Midnapur provides more or less the same type of assistance to the SC/ST Development Corporation as it does for DRDA. Some statistics

on the performance of DIC under IRDP in IDB sector are presented in Table 2.

TABLE 2
INVESTMENT MADE IN INDUSTRIAL SECTOR UNDER IRDP IN
MIDNAPUR DISTRICT

Year	Number of beneficiaries		Amount (Rs lakh)
	Target	Actual achievement	
1985-86	14260	N.A.	323.28
186-87	8100	9703	335.28

In Burdwan, the DIC assists DRDA in RDP for the ISB sector by preparing project profiles, vetting of schemes and following up the cases. For TRYSEM, whose thrust is on training rural youth, the DIC assists in selection of trades and also gives advice on selection of craftsmen. Some statistics on the achievement of the DIC in Burdwan under IRDP (in ISB sectors) are presented in Table 3.

TABLE 3
NEW UNITS SET UP WITH ASSISTANCE FROM DIC UNDER
IRDP IN BURDWAN DISTRICT

Year	Number of New Unis Set Up	Employment generated
1984-85	652	1013
1985-86	2944	5008
1986-87	3060	4591

Regarding coordination between DIC and DRDA, the GM of DIC-Midnapur was of the opinion that there is no area in which the coordination between the two could be considered weak, though there is scope for improving it through regular (monthly) exchange of reports on the progress being made. The GM of DIC-Burdwan felt that the coordination between DIC and DRDA is somewhat weak regarding the selection of beneficiaries under TRYSEM. Considering the fact that DIC has only an advisory role regarding selection of craftsmen for TRYSEM, the initiative for overcoming this weakness in coordination should come from the side of DRDA.

Among the other programmes undertaken by the DICs at Midnapur and Burdwan which make a significant contribution to the poverty alleviation efforts of the government, mentionable is the B.S.A.I. (Bengal State Aid to Industries) Loan. These are loans given by DIC to small entrepreneurs. The maximum limit on the amount of loan is Rs 5000 and the loan bears an interest rate of 8 per cent (five and a half per cent for timely repayment). The number of cases in which BSAI loan was given by the DICs of Midnapour and Burdwan are shown in Table 4.

TABLE 4

**BSAI LOAN GIVEN TO ENTREPRENEURS IN MIDNAPUR
AND BURDWAN DISTRICTS**

Year	Midnapur			Burdwan		
	Number of cases		Amount (Rs '000)	Number of cases	Amount (Rs '000)	Employment generated
	Target	Actual				
1984-85	N.A.	N.A.	N.A.	25	54	72
1985-86	65	8	40	23	47	65
1986-87	65	32	126	16	38	40

It is seen from the table that in Midnapur BSAI loan amount given is between 4 to 5 thousand rupees per beneficiary. On the other hand, in Burdwan, the loan amount given per case is about 2 thousand rupees. It is interesting to note that over the three year period Rs 1.4 lakh have been given as BSAI loan in Burdwan district, generating employment to 177 persons. Thus, a loan of Rs 7 thousand has generated employment for 9 persons.

6.2 Assam

In the two sample districts of Assam, Dhubri and Nagaon, the DICs have very little link with the IRDP/TRYSEM programme. But, there are a number of other programmes/schemes implemented by these DICs which make significant contribution to the poverty alleviation efforts of the government. Important among these are (1) RAP, (2) Grants-in-Aid, and (3) Industrial Loan.

Rural Artisan Programme (RAP) is a Centrally sponsored scheme. The main objective of the scheme is to upgrade the skills of rural artisans by providing them required training and tools and implements (upto Rs 500), after the completion of the training, to increase their income.

Under this scheme, training is also provided to persons in rural areas desirous of self-employment in some industrial activity. During the course of training, the trainees are given stipend of Rs 100 per month.

The number of persons benefited under RAP in Dhubri and Nagaon districts is shown in Tables 5 and 6. It is seen from the tables that in Dhubri district 499 persons have benefited from RAP training over the eight year period 1979-80 to 1986-87. Of these 499, 19 per cent belonged to SC/ST. Training has been given in various trades, the most common among them being weaving, tailoring

TABLE 5

Rural Artisan Programme Training in Dhubri District

Year	Number of beneficiaries				Trades in which training is given
	SC	ST	Others	Total	
1979-80	3	7	20	30	Weaving
1980-81	3	2	10	15	Tailoring
1981-82	1	4	55	60	Tailoring; weaving; knitting
1982-83	4	0	68	72	Weaving; tailoring
1983-84	6	9	90	105	Weaving; tailoring; endi yarn making
1984-85	10	18	59	87	Composition (in printing press), radio repair, knitting; weaving; tailoring; welding, etc.
1985-86	5	8	32	45	Welding; servicing of motor cycle; weaving; knitting, etc.
1986-87	6	9	70	85	Tailoring; weaving; knitting
TOTAL	38	57	414	499	

TABLE 6

Rural Artisan Programme Training in Nagaon District

Year	Allotment (Rs lakh)	Expenditure (Rs lakh)	Beneficiaries			
			SC	ST	Others	Total
1979-80	2.00	2.00	6	8	66	80
1980-81	2.00	2.00	5	7	58	70
1981-82	1.00	0.75	8	5	35	48
1982-83	2.00	1.18	13	15	59	87
1983-84	1.99	0.96	5	11	71	87
1984-85	2.00	0.79	12	6	77	95
1985-86	2.00	1.05	14	18	62	94
1986-87	1.55	1.15	12	16	82	110
TOTAL	14.54	9.88	75	86	510	671

and knitting. In the same time period 1979-80 to 1986-87, 671 persons benefited from RAP training in Nagaon district. About one-fourth of them belonged to SC/ST. Over the eight year period, 1979-80 to 1986-87, Rs 14.54 lakh were allotted for RAP training; the actual expenditure was lower at Rs 9.88 lakh.

With a view to help rural artisan in augmenting their income, there are schemes for supplying improved tools and providing grants-in-aid. The limits on financial assistance under these schemes are Rs 1,000 for purchase of improved tools and equipment and Rs 500 for working capital. In case of non-government industrial institutions, the limit for tools and equipment is Rs 4,000 and for working capital Rs 2,000. The achievements under these schemes in Dhubri and Nagaon districts are shown in Tables 7 and 8. It is seen from the tables that a dominant part of the assistance under these schemes has gone to SC/ST beneficiaries.

In a different scheme to provide financial assistance to small entrepreneurs, industrial loans are given by the DIC at Dhubri and Nagaon under the State Aid to Industries Act, 1955. In case of general entrepreneurs the loan limit is Rs 5,000, and in case of technically qualified persons the loan limit is Rs 7,500. The loan is sanctioned on the following heads: (i) loan to SSI units, (ii) loan to handicrafts/artisans, and (iii) loan to technically qualified persons. The number of beneficiaries and the amount of loan given under the scheme in Dhubri and Nagaon districts are shown in Table 9. It is seen from the table that over the 8 year period, 1979-80 to 1986-87, 432 persons received industrial loan amounting to Rs 8.5 lakh in Dhubri district. During the same period 1212 received industrial loans amounting to Rs 25.5 lakh in Nagaon district. In both districts, the loan amount per beneficiary was, on average, about Rs 2,000.

TABLE 7

Supply of Improved Tools and Grants-in-Aid to Artisans in Dhubri District

Year	Beneficiaries							
	SC		ST		Others		Institutions	
	Number	Amount (Rs)	Number	Amount (Rs)	Number	Amount (Rs)	Number	Amount (Rs)
1979-80	22	1900	15	1500	14	2400	2	2000
1980-81	19	3300	21	1550	23	2400	3	2500
1981-82	16	3300	7	1400	20	5800	3	3000
1982-83	20	3800	12	2400	31	5800	4	4000
1983-84	26	7800	11	4700	Nil	-	Nil	-
1984-85	32	8570	12	4700	56	17500	1	1000
1985-86	41	8400	12	4700	38	18000	Nil	-
1986-86	18	1800	Nil	-	24	18000	Nil	-
TOTAL	194	38870	103	27250	206	69900	13	12500

TABLE 8

Supply of Improved Tools and Grants-in-Aid to Artisans in
in Nagaon District

Year	Beneficiaries					
	SC		ST		General Caste	
	Number	Amount (Rs)	Number	Amount (Rs)	Number	Amount (Rs)
1979-80	30	6400	25	7000	32	4800
1980-81	50	17400	27	7360	28	5800
1981-82	76	18000	40	4800	52	13600
1982-83	37	6500	21	3400	56	11800
1983-84	115	36100	42	27900	21	11800
1984-85	67	34300	31	24370	46	35400
1985-86	61	33100	34	27900	38	35400
1986-87	158	99290	88	74400	55	35400
TOTAL	594	251090	308	177130	328	154000

TABLE 9

Industrial Loan (Under S.A.I. Act)

Year	Dhubri		Nagaon &	
	Number of beneficiaries	Amount (Rs '000)	Number of beneficiaries	Amount (Rs '000)
1979-80	62	80.0	104	162.6
1980-81	84	153.0	185	308.4
1981-82	47	129.7	193	316.0
1982-83	33	56.9	94	187.2
1983-84	39	72.6	122	269.7
1984-85	53	108.4	188	393.3
1985-86	53	93.8	140	354.0
1986-87	61	153.1	186	558.0
TOTAL	432	847.5	1212	2549.2

It would be appropriate to mention here one scheme of financial assistance being implementing by the DICs of Dhubri and Nagaon for SC and ST entrepreneurs only. Under the Scheduled Castes component plan and Tribal sub-plan, 50 per cent subsidy on the cost of land, building, and plant and machinery is given to units owned by SC and ST entrepreneurs (subject to the limit of Rs one lakh). The number of beneficiaries under this scheme in Dhubri and Nagaon districts is shown in Table 10.

6.3 Other North-Eastern States

In other north-eastern States, the DICs in the sample districts are providing assistance in the IRD/TRYSEM programmes; but on the whole their contributions in these programmes is small.

Prior to the formation of DRDA in Tripura, there was separate funding under TRYSEM for the DICs. At that time, the DIC of West Tripura used to organise training for artisans [identified by village panchayat, B.D.O. and E.O. (Industries)] in trades of tailoring, basket making and weaving. This activity has now been taken over by DRDA, and the role of DIC is at present confined to giving technical advice as and when asked for.

The experience of DIC-Aizwal is similar. Before the formation of DRDA, the industries component of IRDP/TRYSEM was routed through Directorate of Industries to DIC for implementation. But, now, the implementation of IRD/TRYSEM programmes are being done by DRDA; and the DIC-Aizwal is providing the following assistance:

- identifying workshops for training
- meeting requirements of tools, sewing machines, etc. under S.A.I. loan.
- and, in cases where the amount involved is small, covering the expenses of setting up of the enterprise under grants-in-aid scheme.

TABLE 10

Special Investment Subsidy for SC/ST Entrepreneurs in
Dhubri and Nagaon Districts

Year	Dhubri		Nagaon	
	Number of units	Amount (Rs lakh)	Number of units	Amount (Rs lakh)
1982-83	5	0.90	2	0.91
1983-84	1	0.43	5	1.42
1984-85	4	0.58	7	1.25
1985-86	1	0.26	8	1.51
1986-87	9	0.40	17	1.86
TOTAL	20	2.57	39	6.95

In Andaman and Nicobar Islands, the DIC is assisting in IRDP through vetting of schemes of the industrial type. During 1987-88, 314 schemes have been prepared/vetted. However, the implementation of the schemes is being done the Directorate of Rural Development, and the financial requirements for this purpose is being met in almost all cases through IRDP. The beneficiaries generally do not approach DIC for financial assistance.

The link of DIC with the IRD/TRYSEM programme is somewhat stronger in Ukhrul district in Manipur and South and West districts in Sikkim. Thus, in Ukhrul, the DIC provides technical advice to and prepares schemes (involving industry) for DRDA. DIC organises and through its own institution imparts training under TRYSEM (for schemes involving industry). DIC helps in the implementation of schemes and also provides raw materials assistance, e.g., providing boxes for bee keeping, trays for mushroom cultivation, and wool and knitting matching for knitting activity. Some statistics on the contribution made by DIC-Ukhrul in the IRDP/TRYSEM programme is given in Table 11.

TABLE 11
CONTRIBUTION MADE BY DIC OF UKHRUL DISTRICT IN
SRDP/TRYSEM PROGRAMME

Year	Number of schemes prepared/vetted	Number of persons trained
1983-84	12	-
1984-85	10	-
1985-86	16	67
1986-87	22	80
1987-88	13	-

In West Kameng and Tuensang districts, the DICs are making a significant contribution in the rural development programmes. In West Kameng, the DIC is organising and imparting training under TYRYSEM in various trades including tailoring, knitting, cvarpet making, and carpentry. For IRDP, project reports have been prepared. DIC is also involved in the identification of beneficiaries and supply of tools and raw materials. During 1987-88, 8 schemes have been prepared for IRDP, and 4 persons have been trained and assisted financially. The situation is similar in Tuensang. The DIC is organising training under TRYSEM and preparing schemes for IRDP. A number of schemes have been prepared, including schemes for knitting and bee-keeping.

As in the case of Assam, the DICs in the other north-eastern States implement several other schemes which make a significant contribution to the poverty alleviation efforts of the government. These are discussed below.

One programme of this nature implemented by the DIC of West Tripura is Self-Employment programme for unemployed youth sponsored by the State. The eligibility requirements for this programme are lower than those for SEEUY. There is one scheme for general candidates in which the educational requirement is Class V pass (relaxable for handicapped persons) and maximum loan amount is Rs 5,000. There are other schemes for SC/ST candidates and for persons belonging to other backward classes in which there is no educational requirement and the maximum loan amount is Rs 10,000. The achievement under this self-employment scheme in West Tripura district is shown in Table 12.

TABLE 12
ACHIEVEMENTS UNDER SELF-EMPLOYMENT SPONSORED BY THE
STATE IN WEST TRIPURA

(Number of cases)

Year	Target	Sponsored	Sanctioned	Disbursed
1983-84	-	101	57	57
1984-85	-	396	218	210
1985-86	360	460	264	204
1986-87	380	418	192	21*

Note: * Incomplete figure.

Among other programmes undertaken by the DIC of West Tripura to help rural artisan, mentionable are: (i) organisation and imparting of training, (ii) a scheme under which 75 per cent grant is given to poor artisans for purchase of implements, and (iii) Industrial loans under State Aid to Industries Act.

Similar schemes for assisting rural artisans and small entrepreneurs exist in Aizwal district. There is a scheme for giving subsidy to artisans for purchase of tools and equipment. A relatively larger part of this subsidy has gone in the past to artisans living in villages than to artisans in the district head quarter. Also, for relatively backward regions, the subsidy is given at a higher rate. Other schemes through which assistance is provided include industrial loan and grants-in-aid.

In South Sikkim, the DIC is assisting artisans through training and by providing improved tools and equipment, knitting machines, sewing machines, etc., after the completion of training.

The number of persons trained under RAP training programme in South and West Districts of Sikkim is shown in Table 13.

TABLE 13
NUMBER OF BENEFICIARIES UNDER RAP TRAINING PROGRAMME IN
SOUTH AND WEST DISTRICTS OF SIKKIM

Year	Beneficiaries		
	SC/ ST	Others	Total
1982-83	19	1	20
1983-84	28	0	28
1984-85	30	60	90
1985-86	25	49	74

Training to artisan under RAP/RIP is given also by the DIC of Ukhurul district in Manipur. During 1983-84, 38 persons received training involving an expenditure of Rs 46 thousand. In 1984-85, 56 persons received training involving an expenditure of Rs 36 thousand. As a follow up programme after completion of training $33\frac{1}{3}$ per cent equipment subsidy is given to artisans, under RAP promotional programme.

The subsidy disbursed in Ukhurul district under this programme during 1985-86 is shown below:

- Rs 8,000 to 5 ex-trainees of wool-knitting
- Rs 2,500 to 5 ex-trainees of tailoring
- Rs 3,000 to 5 ex-trainees of carpentry

- Rs 2,500 to 5 ex-trainees of bee keeping
- Rs 3,000 to 6 ex-trainees of blacksmithy
- Rs 1,000 to 2 artisans in pottery.

During 1986-87, a subsidy of Rs 10,000 was given for construction of workshop to 5 ex-trainees, under this programme.

Another scheme through which artisans are assisted by the DIC-Ukhrul is the handicrafts scheme. Under this scheme 50 per cent equipment subsidy is given.

During the five year period 1983-84 to 1987-88, 141 entrepreneurs of Ukhrul district receive grants-in-aid amounting to Rs 1.2 lakh.

In Andaman & Nicobar Islands, there are several schemes through which artisans and small entrepreneurs are assisted by the DIC, mentionable among which are training facilities and S.A.I. loan.

Training is provided in wood work, shell craft and handicraft, sheet metalling and electroplating, carpentry and blacksmithy, cane and bamboo work, tailoring and garment making and coir products. The duration of training ranges from 12 to 18 months and trainees are paid a stipened of Rs 150 per month during the training period.

Industrial loans under S.A.I. is given by the DIC to entrepreneurs/artisans. The maximum permissible amount of loan is Rs 25,000 (which is much higher than the limit in other north-eastern States). The loan is given after vetting of schemes and inspection. The major difficulty that the DIC is facing in this regard is that the total allotment for this purpose is Rs 4 lakh so

that only a limited number of entrepreneurs get financial accommodation under this scheme. The number of cases in which S.A.I. loan has been given is shown below:

TABLE 14
S.A.I. LOAN IN ANDAMAN AND NICOBAR ISLANDS

Year	Number	Amount (Rs lakh)
1983-84	32	3.88
1984-85	23	3.86
1985-86	16	3.00
1986-87	14	2.98
1987-88	22	4.32

As in Tripura, Nagaland has a self-employment programme in addition to SEEUY. During the five year period 1983-84 to 1987-88, these have been 61 beneficiaries under this scheme in the Tuensang district. The DIC is paying a good deal of attention to training with a view to create self-employment capabilities among people and improve skills. The ex-trainees and other small entrepreneurs are being given financial (loan, grant, subsidy, etc.) and other assistance.

Considerable emphasis on training programme is being put also in the West Kameng district. The DIC office at Bomidila along with the sub-DICs at Tawang and Seppa organises training programme in various trades and crafts, including handloom weaving, carpet weaving, knitting, tailoring, mask making, carpentry, silver smithy, painting, and wood turning. These trainings have been offered at

Bomdila, Kalaktang, Tawang, Seppa and other remote areas of the district. During training, stipend is given to the trainees in addition to free boarding in the hostel. Post-training facilities are also offered to engage the ex-trainees in the Craft Centres by providing adequate inputs and marketing avenues for their products. There are other types of assistance for promotion of handlooms, handicrafts and other village industries. There is a scheme of distributing tools and implements among entrepreneurs at 50 per cent subsidy. During 1987-88, 15 persons have benefited under this scheme.

CHAPTER 7

INSTITUTIONAL LINKAGES

DIC being a nodal agency for the industrial development of the district, it is imperative that the DIC develops close interlinkage with other developmental organisations/agencies functioning in the district. Discussions with GMs and Functional/Project Managers of DICs of different sample districts bring out, however, that such linkage with other organisations/agencies have not been developed to the desired extent. Which organisations/agencies other than DIC are functioning in the district and what type of linkage DIC has with such organisations/agencies are discussed below in respect of the sample districts of West Bengal, Assam and other north-eastern States.

7.1 West Bengal

Midnapur: In Midnapur district, as in other sample districts, DRDA is the nodal agency for rural development work. The DIC makes an importance contribution in the IRDP programme (implemented by DRDA) for the ISB sector. The DIC prepares project profiles and undertake vetting of schemes. The DIC also gives advice regarding development programmes for the ISB sector. Another agency doing work similar to that DRDA is SC/ST Development Corporation. The SC/ST Development Corporation, as the name suggests, is involved in poverty alleviation programmes for SC/ST beneficiaries only. For this agency also, the DIC prepares project profiles and undertakes vetting of schemes.

Khadi and Village Industries (KVI) Board provides financial, marketing and other assistance to Khadi and Village Industries in

the district. The Functional Manager - KVI in the DIC maintains liaison with the KVI. The Functional Manager - KVI organises Bio-gas scheme, prepares proposals for promotion of village industries, and renders necessary assistance for smooth function of the existing village industries. Thus, there is some overlap in the functions of DIC and KVI Board. To give an idea about the contribution being made by the DIC-Midnapur for units in KVI, it may be mentioned that in 1985-86, 1048 units were assisted financially involving an amount of Rs 24.70 lakhs, and in 1986-87, 1471 units were assisted financially involving an amount of Rs 30.27 lakhs.

SISI does not have an office in the district, but it is rendering assistance to the DIC in regard to technical guidance, managerial and EDP support, and information and intensive services. West Bengal Small Industries Corporation (WBSIC) has an office in the district. The main functions of WBSIC are provision of factory shed, development of land, distribution of scarce raw materials and marketing of SSI products. The DIC recommends cases to this organisation for allotment of factory shed and for other assistance. There are two more organisations functioning in the district for promotion of industries. These are: (i) District Youth Office under Youth Welfare Department, (ii) Comprehensive Area Development Project. The thrust of the first organisation is to promote and sponsor cases under Additional Employment Programme in Industry sectors; the thrust of the second organisation is to provide infrastructure for industrial development in the particular area of operation.

There are three major industry - associations in the district (i) Midnapur District Cottage and Small Scale Industries Association, Kharagpur, (ii) National Alliance of Young Entrepreneurs, and (iii) Kharagpur Chamber of Commerce and Industry. These association do not have much contact with the DIC. There is no voluntary or non-government agency working in the district for

promotion of industries.

DIC is involved in a number of committees at the district level. The main four are listed below:

<u>Committee</u>	<u>Nature of DIC's Involvement</u>
1. District Consultative Committee	To appraise the credit position in Industry Sector in various programmes
2. District Level Committee (for Central subsidies)	To approve Central subsidy (.e.g CIS) proposals. The GM of DIC is the member-secretary
3. District Level Coordination and Monitoring Committees	To monitor and contribute in policy making for development of industry
4. District Level Review Committee	To prepare Annual Action Plan and Credit Plan and review achievements of different financial institutions in industry sector.

West Bengal Financial Corporation (WBFC) has an office in the district. The main function of WBFC is to render financial assistance to village and small scale industries. The DIC sponsors cases to WBFC for loan. Various nationalised banks have branches in the district. the DIC sponsors cases to banks for loan. The Lead Bank Officer (LBO) interacts with DIC for preparing the District Credit Plan (DCP). The DIC's estimates of credit requirements of small scale and village industries are not much different from the estimates in DCP.

National Cooperative Union of India (New Delhi) has a representatives posted in the DIC office in the designation of Cooperative Education Instructors (Handicrafts). No other industry-promotion organisation has representatives posted in the DIC office.

For campaigns, EDPs and seminars, the DIC collaborates with various organisation. Thus, in the last two years, four EDP programmes were held in collaboration with Bengal National Chamber of Commerce, West Bengal Consultancy Organisation Ltd. (WEBCON), and SISI; two intensive campaigns were held in collaboration with banks and financial institutions, and seminars were held on development of Mat, Horn, Brass and Bell metal industries in collaboration with Zilla Parishad and Panchayat Samities.

The DIC office does not receive any information on regular basis from other organisations/offices in the district; nor does the DIC office send regularly information to other IPOs, and industry associations. The DIC has not brought out any publication jointly with another organisation/office.

Burdwan: Turning now to the situation in Burdwan district, the DIC of Burdwan is making significant contribution in the IRDP and TRYSEM programmes being implemented by DRDA. The DIC is preparing schemes for industry and service sectors and also undertaking vetting of schemes (and following up the cases). Under TRYSEM, the DIC is assisting in the selection of trade and giving advice on the selection of craftsmen. It is on the last point that the link between DIC and DRDA is weak, since the advice of DIC about the selection of people under TRYSEM is often not being heeded to.

KVI Board is looking after the Khadi and Village Industries. The work that Functional Manager - KVI was doing for KVI has been delegated to the District KVI Board and at present only link is being maintained. One work that the DIC is doing for Khadi even now is giving rebate on sales of cotton and silk khadi. Some data on this rebate given by DIC is shown below:

Year	Rebate on Sales of Cotton and Silk Khadi	
	Number	Amount (Rs lakh)
1984-85	2	0.51
1985-86	20	3.90
1986-87	26	8.30

Also, the Bio-gas programme is being implemented by the DIC. This has been discussed in Chapter 3.

SISI has a branch office in this district at Durgapur. It provides technical guidance and EDP support to the DIC. Besides the DIC, there is another single window institution operating in the district. This is the Small Industries Development Agency (SIDA). This agency serves entrepreneurs intending to set up small scale industrial units with projects involving fixed investment of more than Rs 2 lakhs in plant and machinery from its office at Calcutta. For entrepreneurs in Asansol-Durgapur area of the district, there is yet another single-window service under the Asansol-Durgapur Development Authority (ADDA). The DIC of Burdwan is much involved in this "single-window" service. The GM attends this "single-window" service one day in every week.

There are a number of industry associations in the district. The main three are: (i) Burdwan Small Industries Association, (ii) Raniganj Chamber of Commerce, and (iii) Durgapur Small Industries Association. These associations meet the GM regarding their problems from time to time. Also, seminars, meetings, etc., organised by these associations are attended by the GM.

There is no voluntary or non-government agency in the district working for promotion of industries.

DIC is involved in many committees at the district level. These includes: (i) District Planning Committee, (ii) District Co-ordination Committee of Bankers, (iii) Standing Committee of Zilla Parishad, (iv) District Planning and Co-ordination Council, (v) District Advisory Board on Power, and (vi) Governing Body of DARA.

The LBO interacts with the DIC in the preparation of DCP. There is no significant difference between DIC's estimate of credit needs of small scale and village industries and that of DCP.

No industry promotion organisation/agency has its representatives posted in the DIC office.

For campaigns, EDP training, etc., the DIC collaborates with other organisations. During the last two years, DIC organised intensive campaigns in collaboration with banks, EDP for SEEUY candidates with SISI, and seminar with industry associations.

The DIC does not get information on regular basis from other organisations/offices functioning in the districts for industrial development; nor does the DIC send on regular basis information to such organisation. DIC has not brought out any publication jointly with other organisations/offices.

7.2 Assam

Dhubri: The DIC for Dhubri district is not making any significant contribution to the IRDP/TRYSEM programmes of the DRDA. Also, it does not have much link with the Khadi Board. There is no Functional Manager for KVI in the DIC, this work is being looked after by other Functional Managers. Through training programme and promotion scheme, the DIC is helping rural artisan. DIC is also providing market assistance by coordinating the activities of North-eastern Handloom and Handicrafts Development Corporation, and other

Government Semi-Government Organisations dealing with village and small scale industry.

There is not much interaction between DIC and SISI. DIC has received some assistance from SISI in the form of technical guidance, but this has happened so far only in a few cases.

There is no other industry promotion organisation, apart from DIC, operating in the district. Also, there is no industry association or voluntary/non-government agency working in the district for industrial development.

DIC is involved in a large number of committees at district and sub-divisional level. At the district level, the important committees are: (i) District Development Committee, (ii) District Level Advisory Committee, and (iii) District Level Consultative Committee for Bankers. At the sub-division level, the important committees are (i) Project Implementation Committee (for integrated tribal development area), (ii) Sub-divisional Tribal Development Board, (iii) Sub-divisional Scheduled Caste Development Board, and (iv) Planning Cell for Employment Exchange. The GM represents the DIC in these committees. The nature of involvement of DIC is in the form of providing information, discussing achievements and making recommendations. There are, in addition to the committees listed above, committees at district and sub-division level concerned with sanctioning of State and Central incentives.

The LBO's office takes into account the information sent by DIC in preparing the DCP; but the estimate of DIC of credit requirement of small scale and village industries does not always tally with the estimates of DCP. This is so because at the time of preparing the DCP total credit availability and requirements of different sectors are taken into account. the DIC has not so far taken any step to remove the discrepancy between their assessment of

credit requirement and the figures given in DCP.

There are no industry-promotion agencies/organisation whose representatives are posted in the DIC office.

The DIC has organised EDP trainings in collaboration with NISIET in 1986, and with NEITCO in 1986 and 1987.

The DIC does not get information on regular basis from other organisations/agencies (except some information from time to time from AFC and IDBI). It sends out regularly reports on its programme/progress to banks, sub-division organisations and development departments. The DIC has not brought out any publication jointly with other organisation/offices.

Nagaon: In Nagaon district, as in Dhubri district, the DIC is not making any significant contribution in the IRDP/TRYSEM programmes of the DRDA. Also, the link between DIC and Khadi Board is very weak. According to the GM of DIC, the reason for inadequate coordination between DIC and Khadi Board is lack of initiative on both sides. The DIC does not have a Functional Manager for KVI. The coordination between the two organisations can be improved if the Khadi Board posts a representative in the DIC office.

SISI does not have an office in the district. It has provided technical guidance in a few cases. It has also provided EDP support. But, on the whole, the contribution of SISI in the work of DIC has been quite limited.

Assam small Industry Development Corporation (ASIDC) has an office in the district. The main functions of ASIDC's office are providing scarce raw materials and marketing support. The DIC has received some assistance from ASIDC.

There are four industry - associations in Nagaon district. These are (i) District Entrepreneurs Association, (ii) Rice Millers' Association - district level, (iii) Oil Millers' Association, and (iv) Nagaon Chamber of Commerce. These associations are concerned primarily with protecting/promoting the interests of their members. Office bearers of these associations meet the GM from time to time in connection with the problems the association members are facing. The frequency of contact is relatively more (about once a month) with the first association, i.e., District Entrepreneurs Association.

The DIC is involved in many committees at the district and sub-division level. These include:

- i. Integrated Tribal Development Programme,
- ii. Sub-divisional S.C. Development Board,
- iii. Sub-divisional Planning Council,
- iv. Nagaon Development Agency,
- v. District Development committee,
- vi. District Advisory Committee,
- vii. Board of Governors of DRDA, and
- viii. Loan Advisory Board (District level) of AFC.

In all these committees, the GM is a member. He provides information about development of industries, programmes of DIC, Achievements of DIC, etc., and also gives advice on matters relating to development of village and small scale industries.

DIC's assessment of credit requirement of village and small scale industries does not always tally with such estimates made by the LBO office in the DCP. This is so because the two organisations have different bases in making the estimates. No

action has been taken by DIC to reconcile this discrepancy.

No other agency/organisation involved in industry-promotion work has a representative posted in the DIC office.

In EDP programme and intensive campaigns, there has been collaboration between DIC and other organisations/agencies. During the last two years, DIC has provided assistance in EDPs conducted by SISI, NISIET, NEITCO, and IDBI. Also, intensive campaigns have been held in which DIC has collaborated with banks and financial institutions. In the last two years, DIC has received proposal for EDP from IDBI, SISI, NEITCO and NISIET, and given proposal for intensive campaign to General Managers of Banks, AFVC, IDBI, SIDC, NSIC, NEITCO and NISIET.

The DIC does not receive on regular basis information from other industry promotion organisation operating in the district; nor does it regularly send out any information to them. The DIC has not brought out any publication jointly with another agency/office.

7.3 Other North-Eastern States

Ukhrul: In Ukhrul district in Manipur, the DIC provides assistance to DRDA in the implementation of IRDP/TRYSEM programmes. The DIC prepares schemes for DRDA and organises training under TRYSEM. DIC also gives material assistance after the completion of training, such as providing boxes for bee keeping and trays for mushroom cultivation. The DIC is coordinating its activities with the KVI Board. It collects applications and forwards them to the KVI Board. It also takes part in joint inspection.

The DIC has a fairly good organisation for handloom and handicrafts. It has one Functional Manager - Cottage Industries, one Project Manager - Handloom/Handicraft, one Inspector for KVI,

two Supervisors and one Field Organiser for handloom. The DIC has schemes for providing financial assistance to handloom and handicraft units.

SISI has assisted the DIC by providing technical guidance in a few cases and EDP support. Hill Area Handloom Project, a government corporation, has an office in the district. Its main functions are: (i) training of weavers and (ii) collection of products for sell and supply of raw materials.

There are no industry-associations in the district. There is one voluntary agency working for industrial promotion. The DIC has not done any joint work with it. There is also one non-government development agency by the name of Science and Technology Centre for Community Development. It takes financial aid from non-governmental agencies. It is working in a manner similar to that of DIC, except that it is not in a position to sponsor cases to banks for loan. The DIC has not done any joint work with this organisation.

DIC is involved in a number of committees. These include: (i) District Plan Committee (under District Planning Office) (ii) District Advisory Committee for DIC, and (iii) District Livestock committee.

The LBO's office is in Imphal, the State Capital, and not in the District. There is not much interaction between the LBO and the DIC in the preparation of DCP.

No organisation/agency working in the district for promotion of industries has its representative posted in the DIC office.

The DIC has collaborated with SISI and NEITCO for EDP programme, in the last two years. It has trained 25 persons in bee-keeping in 1982 in collaboration with the Manipur KVI Board, Imphal.

In 1984, it trained 15 persons in Mushroom Cultivation in Collaboration with All Manipur Mushroom Growers' Association, Imphal.

The DIC receives on regular basis monthly progress reports from District Planning Office and DRDA. It sends out regularly its monthly progress report to MANICO and SISI.

The DIC has not brought out any publication jointly with another organisation/office.

West Tripura: In West Tripura district the DIC is assisting DRDA in the implementation of TRYSEM. Training for Tailoring, Weaving and Basket making is being organised by the DIC. The DIC is also giving technical advice.

Work relating to Khadi and Village Industries is being looked after the Khadi Board. The DIC is making no significant contribution in the working of the KVI Board. Only liaison is being maintained with the Khadi Board.

SISI has an office in the district. It is providing technical advice and EDP support to the DIC.

There is one industry-association in the district. This is the Tripura Chamber of Commerce and Industries. A representative of this association is a special invitee in the District Advisory Committee for DIC. Otherwise there is not much contact between the DIC and the Tripura Chamber of Commerce and Industry.

There is no voluntary or non-government agency in the district working for promotion of industries.

The DIC is involved in a number of committees. These include: (i) District Consultative Committee, (ii) Non-Conventional Energy Committee, (iii) Governing Body for DRDA, and (iv) Sainik Board (for industrial purposes).

There is adequate coordination between the LBO's office and the DIC. In preparing the DCP, the LBO takes into account the DIC's assessment of credit requirements for village and small scale industries.

No other industry-promotion agency/organisation operating in the district has its representative posted in the DIC office.

The DIC has collaborated with other organisations for EDP. Thus, one EDP was held in 1984 in collaboration with State Bank of India, two EDPs in collaboration with SISI in 1985 and 1986, and one EDP in collaboration with NEITCO in 1985. A proposal was made in 1986 to NSIC for an intensive campaign to settle cases of hire-purchase of machinery.

The DIC does not receive information on regular basis from other organisations/agencies functioning in the districts; nor does the DIC send out regularly information to such organisation/agencies. The DIC has not brought out any publication jointly with another organisation/office.

Andaman: In Andaman & Nicobar Islands, the DIC is coordinating with DRDA for the implementation of IRDP, but the contribution of the DIC in the programme is limited. On the other hand, the DIC has hardly any link with the KVI Board.

SISI has an office in the district. The main functions of this office are: (i) Product identification, (ii) Project formulation, (iii) Training, and (iv) Modernisation and quality

improvement. This office is also referring cases to banks for loan. Thus, there is some overlap in the functioning of SISI and the DIC. The DIC is getting much assistance from SISI. These relate to technical guidance, managerial and EDP support, information and intensive services and modernisation, improvement in product quality, etc.

There is one industry-association in the district. This is the Andaman & Nicobar Small Industries Association. This association contacts the DIC from time to time seeking DIC's help in solving the problems faced by the members of Association.

There is a non-government organisation in the district working for promotion of industries. This is the Andaman & Nicobar Consultancy Organisation (ANCON). This organisation has been doing some voluntary work. In a seminar organised by IDBI, the DIC and ANCON were both involved.

There is adequate interaction between the LBO's office and the DIC in the preparation of the DCP. There is also a good rapport between the DIC and the banks.

The DIC is involved in a number of committees. These include:

- i. State Level Committee (for grant of subsidies, etc.).
- ii. State Level Coordination Committee on DIC.
- iii. State Level Committee for Approval of Electronic Items.
- iv. Union Territory Level Consultative Committee (organised by LBO; deals with flow of credit and DCP is finalised).
- v. Union Territory Level Review Committee (organised by LBO to review progress in relation to DCP).

In all these committees, the GM of DIC is a member.

No industry-promotion organisation/agency has its representative posted in the DIC office.

The DIC has collaborated other organisations for seminar, campaign, EDP, etc. In the last two years, the following programmes the DIC has collaborated with other organisations:

- Seminar on bakery with SISI,
- Seminar on general IDBI assistance organised by IDBI in collaboration with the DIC and ANCON,
- Seminar on Working Capital Management with SISI,
- EDP for SEEUY candidates with SISI,
- Motivation campaign on hire-purchase of machinery and equipment with NSIC,
- Motivation campaign for Tribals in Nicobar with the office of Deputy Commissioner, Nicobar District.

The DIC does not get information on regular basis from organisations/agencies working in the district for industry-promotion. It sends out regularly monthly/quarterly progress report to SISI (Calcutta).

The DIC is presently involved in preparation of reports for (i) Central Food Technological Research Institute (Mysore), (ii) Coir Boards, and (iii) Cement Research Institute (New Delhi).

Aizwal: In Aizwal district, the DIC is coordinating with DRDA in the IRDP. The DIC is providing the following assistance: (i) identification of workshops for training, (ii) meeting requirements of tools, sewing machines, etc., under SAI loan, and (iii) providing financial assistance under Grants-in-Aid scheme.

The DIC has hardly any link with the KVI Board, though it is providing assistance to village industries, in the form of training, recommendation for subsidy and scheme preparation for units.

The DIC is getting very little assistance from SISI. Zoram Industrial Development Corporation (ZIDCO) and IDBI has offices in the district. The main function of SIDCO is providing financial assistance. The DIC recommends case to ZIDCO for loan. The functions of the IDBI office is refinance and modernisation.

There is one industry association in Aizwal. This is the Mizoram Industries Association. Representative of this association meet the GM from time to time to appraise him of the problems of its members.

There are two voluntary organisations functioning in the district doing development work. These are Young Mizo Association and ZHIP (a women's voluntary organisation). At the initiative of these two organisations, the DIC has provided technical and financial assistance to them.

NSIC has a representative posted in the DIC office. With the help of HMT, the DIC has set up a common Facility Centre in Engineering Trade.

Jorthang: For South and West districts of Sikkim, the DIC is contributing significantly in IRDP/TRYSEM programmes implemented by the Sikkim Rural Development Agency (SRDA). The DIC organises training for rural artisan to upgrade their skills. It has also identified cottage industries/crafts that can be developed in rural areas and is providing necessary assistance for this purpose.

The DIC has a training programme in disciplines like carpentry, knitting, tailoring, handloom, handicrafts, cane and

bamboo work, etc. After the completion of training it is providing assistance for tools and equipment. For the units set up by ex-trainees, marketing assistance is being provided by Marketing and Service Extension Centre, Government Institute of Cottage Industries and Sikkim KVI Board.

SISI is providing EDP support to the DIC. Other organisations functioning in the two districts for industry promotion are (i) KVI Board, (ii) Government Institute of Cottage Industries, (iii) Marketing and Service Extension Centre, (iv) Handicraft Promotion Office, and (v) Sikkim Industrial Development & Investment Corporation Ltd. (SIDICO). The main function of SIDICO is to provide loans to entrepreneurs. It is also the agency for distribution of industrial scarce raw materials, and disbursement of Central and State subsidies and incentives.

There is no industry association or voluntary organisation with which the DIC is doing joint work.

The DIC has organised EDPs, campaigns, etc., in collaboration with SISI and other organisations.

The DIC does not receive information on regular basis from other industry promotion organisations, nor does it send out regularly information to such organisations.

Tuensang: In Tuensang district, DIC is contributing significantly in the IRDP/TRYSEM programmes. It is organising training under TRYSEM and preparing schemes for IRDP. For promotion of Khadi and Village Industries, DIC is assisting the KVI Board. The KVI Board has a representative in the DIC Office for coordinating its activities with the DIC.

Training to rural artisan is being provided through a number of training centres: cottage industries training centre, weaving training centre, and rural artisan programme training centre. Nagaland Handloom and Handicrafts Development Corporation has a branch office and an emporium in the district. There is a bee-keeping farm, 4 Citronella demonstration farms, and 5 sericulture farms, spinning and reeling units.

SISI does not have a branch office in the district. It has provided managerial and EDP support to the DIC. It has also provided technical guidance in some cases.

There is adequate coordination between LBO's office and the DIC. The industry component of DCP is made on the basis of information provided by the DIC.

DIC is involved in several committees at the district level, including the District Planning Board. The progress made by DIC is reported in the meetings of the District Planning Board. DIC is also involved in a district level committee of bankers, which deal with credit requirements.

There is no industry association in the district. Also, there is no non-government voluntary industry promotion organisation.

DIC does not regularly send out information to other organisations within the district; nor does it receive such information from other organisations regularly.

DIC has collaborated with NEITCO and SISI for EDP programmes.

West Kameng: In West Kameng district, the DIC is making significant contribution in IRDP/TRYSEM programme. It is organising training

under TRYSEM for beneficiaries identified by BDOs. It is preparing schemes for IRDP and assisting entrepreneurs in the supply of raw materials.

The DIC organises training in various trades and crafts as a part of Skill Development Programme. Some of the trades and crafts in which training has been provided are: handloom weaving, carpet weaving, knitting and tailoring, mask making, carpentry, silver smithy, painting and wood turning, post-training facilities are provided to help the ex-trainees set up their own unit.

Oak Tassar composite centre functioning at Dirang under NEC programme is producing oak tassar cocoons, and offering extension services to village rearers. Oak tassar silk spinning and rearing has been introduced since December, 1987 under the TRYSEM and departmental training programme.

A mini lemon grass distillation plant is being set up at Lumla under the technical collaboration with Regional Research Laboratory, Jorhat for producing lemon grass oil which is used as input by pharmaceutical and cosmetics industries. A scheme is being implemented in collaboration with KVIC for the production of hand-made paper using local resources. With the assistance of HMT, Rural Industrial Development Centre has been established at Dirang to develop skills in engineering trade and to undertake production and service. A scheme has been taken up for carding and combing of Russian merino wool. Training in wool spinning is to be implemented by KVI Board, Dimapur.

Arunachal Pradesh Industrial Development Financial Corporation has an office in the district. Its functions are providing financial assistance and arranging supply of raw material. The DIC is receiving much cooperation from APIDFC. With the help of APIDFC, the DIC has provided raw materials assistance to 40 enterprises in

1986-87.

There is sufficient coordination between the LBO's office and the DIC in the matter of formulating the DCP. The DIC is involved in a number of committees at the district level including Governing Body of DRDA and District Advisory Committee for Industry.

With the help of NEITCO, the DIC has organised EDP, and with the help of SISI, a seminar on bakery.

CHAPTER 8

INSTITUTIONAL FINANCE AND SEED/MARGIN MONEY LOAN

Banks, financial institutions (e.g. West Bengal Financial Corporation) and DICs play an important role in the promotion of industries by providing financial assistance to entrepreneurs. Banks and financial institutions provide credit to entrepreneurs for fixed investment and for working capital at the time a new unit is set up and at a later stage, say when the unit makes a substantial expansion. Similarly, DICs provide financial assistance to entrepreneurs under various schemes, such as seed/margin money loan, RAP/RIP loan, and industrial loan under SAI Act.

8.1 Credit Provided by Banks and Financial Institutions

Table 1 shows the amount of credit provided by banks and financial institutions to cottage and small scale industry in various states of north-eastern region. The figures relate to 1983-84, 1984-85 and 1985-86. It is seen from the table that credit provided by banks and financial institutions per DIC, at All-India level, was Rs. 154 lakh in 1983-84 and in 1984-85, and Rs. 279 lakh in 1985-86. By comparison, the figures for West Bengal are higher. Thus, in 1985-86, banks and financial institutions provided credit amounting to Rs. 4 crore per DIC in West Bengal, well above the figure of Rs 2.8 crore per DIC at All India level.

Some more information on the financial assistance provided by banks and financial institutions is presented in Table 2 in respect of Burdwan district of West Bengal. It is seen from the table

TABLE 1

Credit Provided by Banks and Financial Institution
Per DIC in North-Eastern States,
1983-84, 1984-85 and 1985-86

State/ Union Territory	Amount of Credit Provided per DIC (Rs. lakh)		
	1983-84	1984-85	1985-86
Assam	16	41	44
Manipur	28	11	4
Nagaland	9	1	2
Sikkim	2	N.R.	N.R.
Tripura	56	46	129
West Bengal	172	168	400
Anadaman and Nicobar Islands	3	20	66
Arunachal Pradesh	4	1	5
Mizoram	2	0.5	13
All India	154	154	279

N.R. Not reported

Source: Distric Industries Centres
 Programme - Physical
 Achievements (An Appraisal),
 1985-86, office of the
 Development Commission,
 Small Scale Industries,
 New Delhi.

TABLE 2

Financial Assistance Provide by Banks and Financial
Institutions to Cottage and Small Scale Units in
Burdwan District

	Year		
	1984-85	1985-86	1986-87
No. of units assisted	322	322	228
Amount of financial assistance (Rs. lakh)	670	585	594
Employment generated (No.)	3014	2826	2815
Financial assistance per unit (Rs. lakh)	2.08	1.82	2.61
Employment generated for financial assistance of Rs. 1 lakh	4.5	4.8	4.7

that banks and financial institutions provided financial assistance of Rs 6.7 crore in 1984-85, Rs 5.3 crore in 1985-86, and Rs 5.9 crore in 1986-87. Financial assistance was provided to about 300 units during 1984-85 and during 1985-86, and to about 200 unit in 1986-87. Financial assistance per unit was about Rs 2 lakh and this amount of assistance per unit generated additional employment to about 10 persons.

Turning back to Table 1, it is seen from the table that in north-eastern states other than West Bengal the amount of credit provided by banks and financial institutions was low (in some cases very low) in relation to the corresponding figure at All India level. Table 3 shows the amount of loan received from banks and financial institutions per unit in different sample districts of north-east region (except those in West Bengal), based on Survey data. Total investment per unit is also shown in the table for comparison. It is seen from the table that there is marked variation across sample districts regarding loan from banks and financial institution received per unit. The amount of loan received per unit ranges from Rs 1.17 lakh in Nagaon district to only Rs 5 thousand in Ukhrul district.

It is also seen from Table 3 that the amount of loan received from banks and financial institutions constitutes less than half of total investment in all the nine sample districts, and less than a third in a majority of sample districts. Taking an average for the nine districts, the relevant ratios comes to 28 per cent. Evidently, a substantial part of investment in village and small scale industries in north-eastern states (other than West Bengal) has been financed by DIC central and state funds, budgetary funds other than DIC funds, and other sources of finance including entrepreneurs' own.

TABLE 3

Average Investment and Average Amount of
Loan Received from Banks and Financial
Institution in Various Sample Districts
(Based on Survey Data)

District	Total Investment per Unit (Rs.000)	Loan from Banks and Financial Institutions per Unit (Rs. 000)
Aizawl	146	60
Andaman	432	23
Dhubri	145	66
Nagaon	410	117
Tripura	177	74
South district of Sikkim	298	94
Thensang	83	19
Ukhrul	63	5
West Kameng	149	38

8.2 DIC's Link with Banks and Financial Institutions

While the development of cottage and small scale industry depends crucially on the flow of institutional credit, the DIC has been made the nodal agency for small industry development without having any direct say in the functioning of banks and financial institutions. When an entrepreneur wants to set up a small scale enterprise, he approaches the DIC with his proposal. After ascertaining the technical feasibility and economic viability of the project, the DIC sponsors the case to a bank or a financial institution for providing loan. It is, however, not obligatory on banks and financial institutions to accept the recommendations of DIC. Thus, in a sizeable portion of the cases sponsored by DICs, the loan is not sanctioned or the amount of loan is lower than what DIC recommends.

To substantiate the above point, some statistics on the cases sanctioned to banks/financial institutions and the provision of institutional credit are presented in Tables 4 and 5 for Dhubri and West Tripura districts. It is seen from the tables that in comparison with the number of cases sponsored and the amount of loan recommended, the sanction of loan and credit flow has been much lower. The situation prevailing in other sample districts is probably as bad, if not worse, with the exception of Andaman and Nicobar Islands, in which the DIC is finding a favourable response from banks to almost all cases sponsored by DIC, thanks to a liberal credit policy being followed by the banks.

The fact that for many of the cases sponsored by DIC to banks and financial institutions, loan is not sanctioned or the amount of loan sanctioned is lower than the amount recommended by DIC causes much difficulty to entrepreneurs and frustration to DIC officials. It is therefore not surprising that the GMs, when asked to evaluate the functioning of banks and financial institutions in the context

TABLE 4
Credit Provided by Banks and Financial Institutions
In Dhubri District

Year	Cases Sponsored by DIC		Loan Sanction by Banks and Financial Institutions	
	No.	Amount (Rs. lakh)	No.	Amount (Rs.lakh)
1979-80	7	3.18	5	0.70
1980-81	11	7.19	6	3.29
1981-82	14	6.91	9	0.79
1982-83	28	19.67	18	4.89
1983-84	41	30.50	9	1.13
1984-85	21	20.18	6	3.41
1985-86	33	29.86	12	7.45
1986-87	43	39.14	5	3.50

TABLE 5

Cases Sponsed Under Normal Bankable Schemes
Under SSI in West Tripura District

Year	No. of Cases Sponsored by DIC	Amount Recommended (Rs. lakh)	Credit Flow by Banks (Rs. lakh)
1979 and 80	102	127	101
1981	152	230	89
1982	268	141	48
1983	142	124	75
1984	105	164	69
1985	98	186	75
1986	145	203	N. A.

of DIC's work, rated the performance of banks and financial institutions as poor in 5 districts and satisfactory in 3 districts. In only two districts (Tuensang and Andaman & Nicobar Islands), the performance of banks was rated as excellent. In discussions with the GMs and other Managers of the sample districts, it was pointed out by them that the DIC's not having control over or direct say in the functioning of banks and financial institutions and there being inadequate coordination between DIC and banks and financial institutions constitute a major obstacle to the effective functioning of DIC. Also, to fulfil the "single-window" objective, it is essential to ensure that recommendations of DIC carry sufficient weight in the decision making process of banks and financial institutions.

It is important to consider here the views of banks and financial institutions on this issue. Officials of banks and financial institutions take the position that DICs sponsor cases to banks/financial institution without doing a complete analysis of economic viability of the project and a proper assessment of the credit requirement. Often the entrepreneur whose case is sponsored does not have the financial capacity or has much greater financial capacity than specified in the proposal. While this has some element of truth, it is also true that all cases rejected by banks/financial institutions are not turned down after a close examination of the bankability of the project. To give an example, one project proposal was sent by the DIC of one of the sample districts to a local bank branch, after ascertaining its technical feasibility and economic viability. The bank branch kept the proposal with it for over six months and then returned it to the DIC with a simple remark that the project is not economically viable. Being convinced of the suitability of the project for the district, the DIC took up the matter with higher level authorities. The bank branch has now agreed to finance the project. It is not hard to find many more examples of this type of treatment of proposals by banks/financial

institutions.

8.3 Seed/Margin Money Loan

While giving loans for small scale units, Banks/financial institutions insist on margin money, say 20% on fixed capital and 30% on working capital. Getting the margin money often becomes a serious problem for the entrepreneurs. The seed/margin money scheme is intended to help the entrepreneur get over this difficulty. The scheme is implemented by the DIC and the money (at concessional rates of interest) are provided by the Central Government. Some State governments have also put in their funds for the scheme with the result that the scheme is not exactly the same in different districts. In Nagaon and Dhubri districts of Assam the particulars of the scheme are as follows:

- the quantum of margin money is 10% in the case of fixed assets and 15% in the case of working capital irrespective of the quantum of money fixed by the Bank/Financial Institutions.
- the ceiling on the amount of seed money is Rs 25,000.
- the amount bears a simple interest rate of 4% per annum.

In Burdwan and Midnapur districts of West Bengal Margin money loan is 10% in general cases and 20% in special cases such as SC/ST and sick units (for revivification). In West Tripura, margin money loan is given only to the tiny sector. The amount of soft loan given is 20% of investment in general cases and 30% of investment for SC/ST entrepreneurs.

In Aizwal district, margin money loan is 30% of investment or Rs 60,000 whichever is less. However, the amount of margin money loan is fixed in such a way that the entrepreneur must bear at least 5% of the cost of the project. The rate of interest on margin money loan is nine and half per cent.

In Ukhrul district of Manipur, margin money loan is 30% of investment, which is shared equally by the centre and the State. In a typical case of marginal money loan, the entrepreneur bears 10% of the investment cost of the project, and the bank bears the remaining 60 per cent.

Interestingly, the DIC for Andaman & Nicobar Islands does not have a scheme for margin money loan. This has, however, not caused any great hardship to entrepreneurs, since banks are relatively more liberal in sanctioning credit to small scale entrepreneurs.

The time taken in giving actual benefit under the seed/margin money scheme is quite short. Thus, in the DIC for Ukhrul district, only three to four days are needed for the application for seed/margin money loan to be processed and sent to the bank. Final disbursement may take more time. In total, about a month's time is needed in giving actual benefit. In the DIC for Dhubri, the time taken in giving actual benefit under the scheme is about 15 days. In the DIC for Nagaon, the time taken in giving actual benefit under the scheme is 10-15 days, except that the entrepreneur may require more time for registering the contract between the DIC and the entrepreneur. By contrast, in the DIC for Aizwal district, the time taken for giving actual benefit is somewhat higher; it is about six months. This is perhaps due to the fact that the DIC and even the Directorate of Industries have not been given the power to sanction seed money loan. The situation in Tuensang is similar to that in Aizwal.

The main difficulty that most DICs are facing in the implementation of the scheme is that the amount allocated for this purpose is inadequate in relation to the applications for seed money that DICs receive.

To give an idea about the working of the seed/margin money scheme, some data on the achievement of DICs under the scheme are presented in Tables 6 through 11 for six sample districts. Some DICs have reported lack of interest among people as a problem in implementing this scheme.

It is seen from the tables that in Burdwan district over 80 persons have been given margin money loan in a year, but in the other five districts the achievements of DICs has been much lower. It is also seen that while in Midnapur, Aizwal and Nagaon districts the amount of margin money loan given per beneficiary is over Rs 10 thousand, in Burdwan district the corresponding figure is about Rs 6 thousand. It may be mentioned here that during 1987-88, seed/margin money loan of Rs 99 thousand has been given to 24 persons in West Kameng districts. The amount of loan per beneficiary is about Rs 4 thousand.

8.4 Analysis of Survey Data

Table 12 shows the distribution of sample units, in various sample districts, which reported to have received (i) seed/margin money, and (ii) loan from banks and financial institution, by size of total investment (fixed plus working). Only two size classes have been made: Total investment upto Rs 1 lakh and total investment above Rs 1 lakh. Figures in parentheses show what proportion (%) of units in a size class received seed/margin money and loan from banks and financial institutions.

Although there are variations across district, the general pattern that emerges from the table is that a relatively higher proportion of sample units in the bigger size class received seed money and loan from banks and financial institutions.

TABLE 6

Margin Money Loan in Midnapur District

Year	Target No.	No. of Beneficiaries	Amount (Rs. lakh)
1985-86	35	17	4.03
1986-87	25	16	1.75

TABLE 7

Margin Money Loan in Burdwan District

Year	No. of Beneficiaries	Amount (Rs. lakh)	Employment Generated
1984-85	100	5.48	715
1985-86	82	5.96	556
1986-87	83	5.50	637

TABLE 8
Margin Money Loan in Nagaon District

Year	Allotment (Rs. lakh)	Expenditure (Rs. lakh)	No. of Beneficiaries		
			S.C/ S.T	Other	Total
1982-83	2.00	2.00	-	22	22
1983-84	4.00	4.00	3	33	36
1984-85	3.00	3.00	2	28	30
1985-86	2.00	1.37	2	13	15
1986-87	2.25	2.86*	5	28	33

* Rs. 0.61 lakh diverted from E.M.T.C. to the margin money scheme.

TABLE 9
Margin Money Loan in Dhubri District

Year	No. of Beneficiaries	Amount (Rs. lakh)
1981-82	7	0.15
1982-83	10	1.10
1983-84	8	0.49
1984-85	16	0.98
1985-86	12	1.15
1986-87	19	1.22

TABLE 10
SEED/MARGIN MONEY LOAN IN UKHRUL DISTRICT

Year	Number of cases submitted by DIC to Bank	Number of cases sanctioned by Bank	Amount per unit (Rs.)
1980-81	7	4	N.A.
1981-82	24	19	N.A.
1982-83	51	32	N.A.
1983-84	50	21	2340
1984-85	38	19	4345
1985-86	4	22	2500
1986-87	1*	1*	30000
1987-88	N.A.	8	11250

Note: * In addition, there were 14 cases submitted to MANICO and sanctioned by it.

TABLE 11
MARGIN MONEY LOAN IN AIZWAL DISTRICT

Year	Number	Amount (Rs 000)	Amount per unit (Rs)
1983-84	11	253	23047
1984-85	7	171	24464
1985-86	10	185	18541
1986-87	8	392	49074
1987-88	9	396	44038

TABLE 12

Distribution of Units Receiving Seed/Margin Money
and Loan from Banks and Financial Institutions,
by Size of Total Investment (Fixed and Working)

District	Size Class of Invest- ment (Rs.)	No. of Units	No. of Units Receiving	
			Seed/Margin	Loan from Banks and Financial Institutions
Burdwan	Up to 1 lakh	10	3 (30.0)	7 (70.0)
	above 1 lakh	30	8 (26.6)	19 (63.3)
Midnapur	Up to 1 lakh	26	2 (7.6)	13 (50.0)
	above 1 lakh	14	2 (14.3)	10 (71.4)
Dhubri	Up to 1 lakh	21	16 (76.2)	17 (80.9)
	above 1 lakh	19	19 (100.0)	18 (94.7)
Nagaon	Up to 1 lakh	6	1 (16.6)	5 (83.3)
	above 1 lakh	34	15 (44.1)	27 (79.4)
Aizawl	Up to 1 lakh	21	13 (61.9)	15 (71.4)
	above 1 lakh	19	15 (78.9)	18 (94.7)
Andaman	Up to 1 lakh	13	0 (0.0)	3 (23.1)
	above 1 lakh	17	0 (0.0)	11 (64.7)
South Distt. of Sikkim	Up to 1 lakh	8	5 (62.5)	8 (100.0)
	above 1 lakh	32	26 (81.3)	31 (96.9)
Tripura West	Up to 1 lakh	22	2 (9.1)	16 (72.7)
	above 1 lakh	18	4 (22.2)	14 (77.8)
Tuensang	Up to 1 lakh	24	20 (83.3)	23 (95.6)
	above 1 lakh	16	10 (62.5)	16 (100.0)
Ukhrul	Up to 1 lakh	35	13 (37.1)	12 (34.2)
	above 1 lakh	5	2 (40.0)	2 (40.0)
West Kameng	Up to 1 lakh	18	15 (83.3)	18 (100.0)
	above 1 lakh	27	26 (96.3)	27 (100.0)

Note: Row percentages are shown in parentheses.

A comparison between units, which received seed/margin money loan and which did not, in regard to investment, employment and output is presented in Table 13 for various sample districts (excluding Andaman in which the seed money scheme does not exist).

It is seen from the table that employment and output per unit in units which received seed/margin money exceed the corresponding figures for units which did not receive seed/margin money in 5 districts out of 10. The opposite pattern holds in 3 districts. And in the remaining two, average employment is higher in units which received seed money while average output is higher in units which did not receive seed money. Evidently, no clear pattern emerges from Table 13.

Since the investment and production decisions in small scale industries depend on a large number of factors, it is very difficult to assess the contribution of a particular scheme. An attempt has, however, been made to form some rough estimates of the effect of seed/margin money scheme in output and employment making certain simplifying assumptions and using the survey data. It would be realised that in the absence of the seed/margin money scheme, some of the existing units set up with the help of seed money, would not have been set up at all, while other units which received seed money would have been much smaller in terms of investment than their present size. It is assumed, not altogether unreasonably, that in the absence of the seed money programme, 10% of the existing units based on seed money would not have been set up, and the remaining 90% of the units would have been half their present size in terms of total investment.

TABLE 13

Average Investment, Employment and Output in Units
Which Received Seed/Margin Money Loan and Which did,
Not, in Sample Districts

District	Category of Unit	Average Investment (Rs. 000)	Average Employment (No.)	Average Output (Rs.000)
Burdwan	A	449	10.7	494
	B	492	12.7	602
Midnapur	A	139	8.5	66
	B	515	15.7	1949
Dhubri	A	161	8.3	362
	B	37	3.2	24
Nagaon	A	424	9.4	386
	B	401	13.0	476
Aizawl	A	164	6.4	212
	B	104	3.9	93
South Distt. of Sikkim	A	287	8.3	224
	B	334	6.7	210
West Tripura	A	394	10.0	600
	B	139	7.8	225
Tuensang	A	85	3.9	85
	B	78	4.3	68
Ukhrul	A	73	4.0	41
	B	56	3.4	44
West Kameng	A	154	6.5	274
	B	93	3.5	86

A: Units which received seed/margin money.

B: Units which did not receive seed/margin money.

Based on these two simplifying assumption and using the survey data, the estimates of the contribution of the seed/margin money scheme to employment and output in West Bengal, Assam and other north eastern States have been made. These estimates are shown below:

	Contribution of seed/ margin money scheme to	
	Employment	Output
<u>WEST BENGAL</u>		
(Based on survey data for Burdwan and Midnapur)	8%	3%
<u>ASSAM</u>		
(based on survey data for Dhubri and Nagaon)	32%	34%
<u>OTHER NORTH-EASTERN STATES</u>		
(based on survey data for Aizwal, West Tripura, West Kamseng, Tuensang Ukhrul and South district of Sikkim)	36%	39%

CHAPTER 9

MAIN FINDINGS, RECOMMENDATIONS AND CONCLUDING OBSERVATIONS

This Chapter is divided into two parts. The first part contains the main findings and suggestions of our evaluation for each of the eleven sample District Industries Centres. The Second part provides some general observations and specific suggestions aimed at improving the functioning of the DIC's. In doing so the social and economic environment in the north-eastern region is kept in mind.

PART A**MAIN FINDINGS AND RECOMMENDATIONS : DISTRICT-WISE****9.1 WEST BENGAL****Burdwan**

1. The DIC has five Functional Managers and four Project Managers. The Project Managers are in the areas of Mechanical, Chemical and Electrical Engineering. The DIC has sufficient technical expertise to assist entrepreneurs. It is also getting help from SISI in this regard.
2. A major gap in the organisational structure is that very little technical assistance is available to the managers. Also, compared to the size of the DIC and the volume of work the ministerial staff is inadequate.
3. The GM is playing an active role in the promotion of industries. One day in a week he attends a single-window service being run by the Durgapur-Asansol Development Authority for entrepreneurs in that area. The GM devotes about one-fourth of his time to routine administration work.
4. The Department of Industries (DI) has delegated to GM the powers in respect of registration, SAI loan, seed money and various subsidies of Central and State Governments.
5. The DIC is maintaining some liaison with KVIC, but otherwise the link between DIC and KVIC is weak.

6. DIC is making significant contribution in IRDP/TRYSEM programmes.
7. DIC has collaborated with several other organisations for intensive campaign, EDP, etc.
8. The single-window objective has not been achieved adequately, since for land, power, loan, etc., the GM has only recommendatory power. The DIC is not getting sufficient cooperation from authorities concerned with conversion of land and environment clearance. There is also lack of sufficient coordination between Banks and DIC, though in the preparation of DCP, the LBO is interacting with the DIC.

Recommendations

1. To fulfil the single-window objective, the coordination between DIC and input giving agencies such as banks, power department, and authorities concerned with conversion of land, and environment clearance needs to be improved. For this purpose, a Standing Committee of DIC officials and officials of input giving agencies may be formed. The committee should meet regularly and clear up the cases.
2. There is need to tone up the administration within the DIC office. There is need for one post of Functional Manager responsible for administration and accounts. This will greatly reduce the burden on the GM, and would enable him to devote more of his time to promotional work.
3. There should be posts of technical assistants/assistant managers to assist the managers in their work.

4. The Ministerial Staff strength needs to be increased.

5. One problem that this DIC is facing is about control over Extension Officers who work at Block level. Extension Officers are not employees of DIC. It is suggested that the power of posting and transferring Extension Officers should be given to the GM. This would enable the GM to deploy the Extension Officers at appropriate places.

6. A good deal of efforts and time of DIC is going for bio-gas programme. As a result of such additional activities entrusted to DIC from time to time, the promotional and developmental work is adversely affected. Since, the district has enough industrial potential and there is already much work of industry promotion with the DIC, the implementation of bio-gas programme should be entrusted to some other organisation. Also before burdening the DIC with additional responsibilities, it is imperative to determine whether such steps would not adversely affect the normal promotional and developmental work which DIC is expected to perform.

7. A number of entrepreneurs complain of delays in the payment of subsidy. There is need for streamlining procedures so as to reduce these delays. The possibility of delegating more powers to GM in regard to the sanctioning of seed money and subsidies needs to be explored. Also, the amount allocated by State government for meeting subsidy payments needs to be raised.

8. Entrepreneurs find procedures very complicated and also complain of too much paper work in DIC. Attempts should be made to simplify procedures. Also, a checklist of procedures, documents that an entrepreneur would require at different stages/for seeking help of different agencies, and likely time or duration by which different entrepreneur oriented tasks would be completed should be provided to the entrepreneurs.

9. The DIC should bring out a brochure giving information on various schemes of assistance available.

Midnapur

1. All the posts of Functional and Project Managers are filled and persons are actually working against the posts.

2. There is inadequate support from lower level staff. Sufficient number of clerks/typists are not there. Also, many posts of Extension Officers are lying vacant.

3. The district has been divided area-wise and each manager has been entrusted with one area besides his main work. This helps in better monitoring of the DIC work.

4. The GM is taking considerable interest in the promotion of industries in the district. The support provided by him to traditional industries deserves special mention.

5. The DI has delegated powers to the GM in respect of registration, SAI loan, seed money, and various subsidies.

6. There has been delegation of power within DIC. Thus registration power of issuing registration certificate has been delegated to Functional Manager (Economic Investigation). Also, he is the drawing and disbursing officer of all funds. The power of vetting of schemes has been given to Project Manager (Mechanical Engineering).

7. SEEUY is proving a major burden on the functioning of DIC with almost 28,000 applications to be processed in a year. Since this has to be done in a short period of time the DIC staff is left with very little time to devote to other important work.

8. The single window objective has not been fulfilled adequately, since the DIC has no control over financial institutions, power, conversion of land, etc.
9. The DIC is well coordinating its activities with KVIC.
10. One of the programmes successfully implemented by the DIC is bio-gas programme.
11. The DIC is contributing significantly towards poverty alleviation programmes of DRDA and SC/ST Development Corporation.
12. The DIC has collaborated with other organisations for campaigns, EDPs, seminars, etc.

Recommendations

1. To bring about proper coordination between DIC and input giving agencies (banks, electricity department, etc.), there should be a standing committee of input giving agencies to clear up the cases expeditiously.
2. The DIC should be given the power to allot sheds in industrial estates.
3. There should be a post of an Accounts Officer with independent wing for administration, establishment and accounts.
4. Clerical and typist posts should be increased considering the growing burden of work. There should be some technical staff to assist the managers.
5. The vacant posts of Extension Officers should be filled up soon to improve the extension work at the block level.

6. In several cases delay in the payment of subsidies is noted requiring appropriate steps at the DI and State government levels. In particular, the quantum of funds of DIC for disbursement of subsidies should be raised.

7. Midnapur being a large district, it will be of great help to entrepreneurs if DIC sets up its branch offices in different parts of the district.

8. Entrepreneurs complain of harassment, too much paper work, procedural complications, etc. There is need for streamlining the procedures. A checklist of procedures and likely time for completing different jobs may be provided to entrepreneurs.

9.2 ASSAM

Dhubri

1. The DIC has only two Functional Managers actually working in addition to two Assistant Managers. In relation to the amount of work needed for effective functioning of DIC, managerial staff is insufficient. Also, ministerial staff is inadequate.

2. The functioning of DIC is decentralised through branch offices at sub-division level.

3. DIC has a good shelf of project profiles, but in terms of technical expertise there is some deficiency.

4. The GM has been delegated powers by DI in respect of registration, SAI loan, seed money and various subsidies. But, the decisions regarding final sanction are subject to approval of committees set up for this purpose. In most of these committees, the DC is the Chairman.

5. Within the DIC framework, Udyog Sahayak (consisting of one Manager and some technical staff) is functioning as single window agency for implementation of the subsidies announced by the Assam Government in 1986.
6. Udyog Sahayak is making a good deal of efforts in preparing project profiles, organising campaigns, EDP and other such promotional work.
7. The single-window objective has not been adequately achieved, since in matters of bank loan, power, etc., the DIC cannot ensure that its recommendation will be finally accepted.
8. The link between DIC and KVIC is observed to be weak.
9. DIC is not making any significant contribution towards IRDP/TRYSEM programmes. DIC is however contributing significantly to the rural development/poverty alleviation efforts of the Government through various schemes being implemented by it.
10. DIC is collaborating with other organisations for entrepreneur identification and motivation programmes.

Recommendations

1. To improve the efficiency of the DIC office, all the vacant posts of functional managers should be filled up. There should be some additional posts of project manager in appropriate disciplines to assist entrepreneurs in technical matters.
2. There should be more posts of clerical/administrative staff.
3. The coordination between DIC and power department needs to be considerably improved. This can be done through a standing

committee of input agencies. Alternatively, an official of power department should sit in DIC office once in a week to look into the problems of entrepreneurs.

4. Availability and distribution of raw materials is a major problem faced by entrepreneurs in this district. One way to improve the situation is to set up raw materials depots under the control of DIC.

5. The committee constituted for approving the decisions of DIC regarding sanction of financial assistance are not meeting as frequently as is desirable, presumably because of other preoccupation of the Deputy Commissioner who is the Chairman of most Committees. The committees should be restructured preferably with GM as the Chairman. Also there should be no non-official member.

6. Entrepreneurs generally complain of lack of coordination between DIC and banks. This needs to be improved for achieving the single window objective. The GM should be in a position to sanction loans for units upto a specified size of investment subject to, of course, the norms laid down by the banks. A portion of bank credit may be earmarked for this purpose. The LBO may allocate this amount to bank branches. This would require rigorous training of DIC staff in training institutions of banks for project appraisal and credit assessment. For units beyond the specific size of investment, cases can be sorted out in the proposed sanding committee of input giving agencies.

7. NSIC is taking too much time in clearing cases of hire-purchase of machinery. NSIC should hold intensive campaigns regularly and in these campaigns there should be on the spot clearing of hire-purchase cases.

Nagaon

1. The DIC has four Functional Managers, and one Project Manager. They are assisted by 4 Assistant Managers. In relation to the amount of work involved for effective functioning of DIC, the managerial staff is inadequate. Also, the ministerial staff is less than what is required.
2. The DIC has technical expertise for certain types of industries (e.g., steel fabrication, carpentry, oil expeller), but for other industries like plastic or electronics the technical expertise does not exist.
3. The DIC has a good shelf of project profiles for entrepreneurs and maintains lots of information on machinery, etc. - their prices, sources of supply etc.
4. The DIC has branch offices at sub-division level and a good number of Extension Officers. Thus, area-wise the functioning of DIC is well organised.
5. DIC has been delegated power for registration, SAI loan, seed money and various subsidies.
6. Within the DIC framework, Udyog Sahayak is functioning as a single-window agency for implementing the subsidies announced by the State government in 1986.
7. The single-window objective of DIC has not been fulfilled adequately. This is so because for many crucial inputs, the DIC is in a position to make recommendations only.
8. The link between DIC and KVIC is very weak.

9. DIC is not making any significant contribution in the IRDP/TRYSEM programmes. But, through various schemes (RAP training, Grants-in-Aid, Special assistance to SC/ST entrepreneurs, etc.), the DIC is contributing significantly to rural development and poverty alleviation programmes of the government.

10. DIC is collaborating with other organisation for campaign EDP, etc.

Recommendations

1. Vacant posts of managers should be filled up. There should be more posts of project managers in disciplines relevant to the district.

2. There should be more technical and ministerial staff. The present strength is inadequate compared to the requirement.

3. The DIC staff in sub-divisional offices should be provided with transport facilities. These officers should be provided a Jeep each.

4. The GM has the power to give provisional registration for one year, but for extending provisional registration, an entrepreneur has to approach the DI office. This unnecessary complication in procedure should be simplified and the GM should be given the necessary power to extend provisional registration.

5. For electronics items, the DISSI has control through State level committee. Several of these items are, however, quite simple in technology (e.g., TV antenna, audio cassettes, duplicating). These may be delisted and brought under DIC.

6. For bank credit, power, etc., DIC is only a recommendatory body. In such a situation the single-window objective cannot fully be achieved. Many entrepreneurs complain of inadequate coordination between banks and DIC. To get over this problem, there should be a standing committee of DIC officials and various input giving agencies to clear up the cases.

6a. For units upto a specific investment size, the GM should have the power to sanction bank loans in accordance with the norms laid down by banks. A part of bank loan should be earmarked for this purpose and this should be allocated between different branches by the LBO.

7. Marketing problem is quite acute for entrepreneurs of this district. Functional Manager (marketing) should be given power to enter into rate contract with entrepreneurs and this should be binding on all government departments in the district and preferably within the State. To reduce inconvenience of entrepreneurs the power of granting one-point store-purchase registration with NSIC should be delegated to the GM.

8. The DIC is finding the amount allocated for seed money purposes too small compared to the applications it is receiving. The amount allocated for seed money should be raised. The GM now has power to sanction seed money upto Rs 25,000. This sanction limit should be raised for better implementation of the seed/ margin money programme.

9.3 OTHER NORTH-EASTERN STATES

TRIPURA

West Tripura District

1. The DIC does not have adequate number of managers. There is not even one Project Manager in the DIC. Even from among the four

Functional Managers, one is attached to DI. The work of DIC is largely carried out by the five Technical Assistants.

2. The DIC is well organised at the grass root level. There are two Extension Officers in each block assisted by field assistants. The Extension Officers receive applications, scrutinise them and advise entrepreneurs.

3. There has been virtually no power delegation by DI to the GM of DIC. The GM does not have even full power of registration. He has power of registering units only in respect of the tiny sector.

3a. The DIC is deficient in technical expertise; but this deficiency is mitigated somewhat by SISI having an office in the district which is providing technical guidance to entrepreneurs.

4. The GM is getting good cooperation from power department and banks. Although there are some delays in the sanction of loans by banks, almost all the cases recommended by DIC have been accepted by bank.

5. Despite the cooperation of the banks, the single-window objective has not been adequately achieved. This is mainly because of the fact that for other types of assistance (e.g. subsidies) the entrepreneurs have to depend upon their agencies.

6. The DIC is maintaining liaison with KVIB; otherwise the link between DIC and KVIB is weak.

7. The DIC is contributing significantly in the IRDP/TRYSEM programme.

8. The DIC is collaborating with other organisations for EDP, campaign, etc.

9. The DIC is implementing two self-employment programmes - (i) SEEUY which is a centrally sponsored scheme, and (ii) SEP of State government.
10. The DIC is collaborating with banks in joint recovery drives.
11. Entrepreneurs have complaints about the DIC that in SEP-State and in other schemes external pressures and influences affect the judicious selection process.
12. The DIC is doing good work through the three training centres it is running.

Recommendations

1. For effective functioning of the DIC, it is important that the DIC has adequate number of managers, with appropriate qualifications and experience. The vacant posts should be filled up with qualified and experienced persons, and the persons working against DIC posts but actually attached to DI should be made available to the DIC.
2. The DIC needs to develop technical expertise. There should be some posts of Project Managers in the DIC. Since rubber-based industries have considerable potential for the district, one of the posts of project managers should be in the discipline of rubber technology.
3. The other area in which considerable attention is required is infrastructure. If one of the Functional Managers is assigned to look after the infrastructural work, it will immensely help in the promotion of industries.

4. To fulfil the single-window objective, it is essential that the DI delegates more power to the GM of DIC in regard to loan, subsidies, etc.

5. Reducing political and other external influences in the decision making process is obviously a matter that can be tackled at the State government level. One step that can be taken to reduce political influence is to reconstitute the committees entrusted with the selection/sanctioning process putting more members from DIC office and other industry promotion organisations.

South District of Sikkim

1. The DIC at Jorhang is looking after South and West Districts of Sikkim.

2. The DIC has three Functional Managers and no Project Manager. One Functional Manager is looking after credit, one marketing. The third Functional Manager is looking after E.I. machinery and equipments, RET, and raw materials. On the whole the strength of managerial staff is inadequate compared to the volume of work. Since most industries are village/handicraft type, the required technical expertise is available within DIC.

3. Although in many matters DIC is acting as essentially a recommendatory body, with the cooperation which DIC is receiving from banks, power department and other bodies and organisation it has been possible for the DIC to reasonably achieve the single-window objective. It must however be admitted that DIC has not been able to tackle some of the acute problems of the entrepreneur like load shedding and non-availability of skilled labour.

4. While the link between DIC and KVIB is indicated to be weak, the KVIB has provided some marketing help to enterprises set up with

the assistance of DIC.

5. The DIC is coordinating its activities with Sikkim Rural Development Agency and making a significant contribution in this regard.

6. The DIC is not making adequate efforts towards intensive campaign, EDP, etc.

7. However, it is doing good work in terms of providing training in various trades with focus on rural industries and handicrafts.

Recommendations

1. Three major problems that entrepreneurs in this district are facing are (i) load shedding, (ii) lack of skilled labour, and (iii) problems of transporting raw materials and output to business centres inside and outside the State. On the first two, DIC is clearly not in a position to provide a solution; but efforts need to be made towards giving more subsidies for generating sets and establishment of institutions for training in technical trades. It may also be useful to have schemes of in plant training and study tours. Regarding the third problem, the DIC can help by making bulk purchases of raw materials and distributing it to entrepreneurs.

2. Some entrepreneurs complain that the project profiles available in the DIC are too old and not much useful. The DIC staff should put in greater effort in this direction.

3. The system of disseminating information and getting feedback from beneficiaries is weak. Branch offices of DIC should be opened at sub-division level. This may also be helpful in coordinating the work of DIC with SRDA.

MIZORAM**Aizwal District**

1. DIC has two Functional Managers and one Project Manager. The Project Manager is attached to the DI. One Functional Manager is incharge - GM.
2. There are four economic investigators. There are Extension Officers working at Block level. On the whole, the DIC is clearly under-staffed.
3. DIC is not getting much help from SISI in technical matters. Also, there is not sufficient technical expertise within the DIC. But technical expertise is available in DI which the DIC can avail as and when the need arises.
4. The DIC has been delegated power regarding registration and training. For other matters (e.g., subsidies, seed money, land allocation in industrial estate) it has only recommendatory power.
5. The single-window objective has not been achieved. The principal reasons are the inadequate power delegation and grossly inadequate staff.
6. NSIC's representative is posted in DIC office.
7. DIC has provided technical and financial support to two voluntary organisations.
8. There is good coordination between DIC and KVIB. DIC is arranging, recommending cases for subsidy and preparing schemes for units.

9. DIC has done good work for development of handloom.
10. Raw material depot run by DI has immensely helped the entrepreneurs.
11. DIC has made significant contribution to IRDP/TRYSEM, identification of workshops for training, meeting expenses on tools/equipment for ex-trainees.
12. There is inadequate coordination between DIC and banks.
13. With the help of HMT, the DIC has set up a common facility centre. This has proved quite useful.

Recommendations

1. The amount allocated for seed money is too small when compared to requirement. This amount should be enhanced.
2. More staff should be provided. The present staff strength is inadequate compared to the work. In particular, there should be one Project Manager - Mechanical Engineering - so that engineering expertise is acquired.
3. There is considerable delay in the sanction of hire-purchase of NSIC. Intensive campaigns in which the cases are cleared on the spot should be held regularly.
4. Because the GM has not been given any power regarding financial incentives, a lot of time is spent on sending the files to DI and getting their approval. To cut down the procedural delays, it is imperative that the GM is given some power in regard to financial assistance. He should also be given sanctioning power for seed money and small loans.

MANIPUR**Ukhrul District**

1. The DIC has two Functional Managers and two Project Managers who are actually working. The two Project Managers are in the disciplines of (1) Glass and ceramics, and (2) Handloom. There is one Assistant Manager, five surveyors and two inspectors. The post of Project Manager for machinery is lying vacant. Considering the size of the district and the extent of present industrial activity, the strength of technical staff in DIC is adequate. Again, considering the fact that most of the units that are coming up in the district use simple tools and machines, there is at present sufficient technical expertise in the DIC. Also, SISI is providing technical guidance to DIC whenever such need arises.
2. The GM has been delegated the powers of registration and of sanctioning seed money upto Rs 30,000. For other types of subsidy, e.g., CIS, the DIC can only recommend to DI.
3. The single-window objective is fulfilled only partially. This is so because the GM has not been delegated with adequate powers. In particular, he has no control over the functioning of bank, power department, water department, etc., and his recommendation may not always be accepted.
4. In this district transport facilities are very poor, and many units are located in the villages which are not easily accessible by road. For entrepreneurs in interior villages, approaching DIC office (or even the bank at Ukhrul town) for help/financial assistance is very difficult and time consuming. Although there are Extension Officers (Industries) at block level and field staff in DIC office, the DIC has not been able to fully organise its functioning at grass-root level. In part, this is due to

transportation problems. Also, adequate funds are not available for meeting TA/DA expenses of field staff.

5. Only one nationalised bank has a branch in the district and the coordination between DIC and the bank is very poor. The LBO's office is not in the district, but in the State capital, Imphal.

6. The DIC is disseminating information from all possible sources about the various schemes of assistance operating by it.

7. The DIC is satisfactorily coordinating its activities with KVIB. It is collecting applications on behalf of KVIB, taking help of KVIB for training, and participating in joint inspections.

8. The DIC is making significant contribution in the IRDP/TRYSEM programme. It is preparing and finalising projects, organising training and providing assistance to ex-trainees for setting up enterprises.

9. The DIC is devoting good deal of time and effort for the promotion and development of handlooms and handicrafts through providing training and financial assistance.

10. There is one voluntary organisation and one non-government organisation concerned with industry promotion work. The DIC has not undertaken any joint work with them.

11. The DIC has collaborated with other organisations for EDP programmes, campaign, etc.

Recommendations

1. A major thrust of the working of this DIC is on RAP/RIP training programme and promotional schemes for handloom and

handicrafts. The DIC provides financial assistance to ex-trainees for setting up enterprises. The power for sanctioning loans of this nature should be delegated to the GM of DIC.

2. The coordination between DIC and the bank branch is very weak. According to the GM the main reason for this lack of coordination is the non-recovery of outstanding loans. The bank and the DIC should actively participate in joint recovery drives.

3. The difficulties of the entrepreneurs in approaching DIC office in Ukhrul town from interior villages (even other towns of the district) can be greatly reduced by opening one or two branch offices. This would also help in better coordination of DIC with IRDP/TRYSEM programme. It is also important to hold intensive campaigns more frequently.

4. Many of the staff members of DIC office do not reside in Ukhrul town. A number of them live in Imphal which is 80 Kms. away from their place of work. Working of DIC will improve, if accommodation for its staff could be provided in the Ukhrul town itself or reasonably close to their place of work.

5. Many entrepreneurs complain that the sanction of loan/financial assistance is not done properly. In particular there is considerable political influence in the decision making process. This is, needless to say, a problem that cannot be solved fully at the DIC level. It has to be tackled at the level of the State government.

6. A number of entrepreneurs complain that the procedures are too complicated and that there is too much paper work in the DIC office. To make the delivery system easy for the entrepreneurs, it is important that procedures be simplified to the extent possible. Also since transportation is a serious problem in the district, the

DIC should, at the time of getting an application from an entrepreneur inform him about the likely time that the job will take, and try to complete it within that period of time.

ANDAMAN & NICOBAR ISLANDS

1. DIC has one Functional Manager (Credit) and one Project Manager (Chemicals) actually working. It has one industry promotion officer (Handicrafts) and two economic investigators.
2. SISI, which has an office in the district, is providing considerable help to the DIC.
3. The DIC is grossly understaffed and hence having little time for developmental and promotional work. Also DIC finds it difficult to achieve the targets.
4. The DI has not delegated any power to DIC - not even the power of registration. But, their recommendations generally prevail in respect of registration, bank loan, plots in industrial estate, octroi relief, etc.
5. The single-window objective has, by and large been achieved. It must however be pointed out that despite this fact entrepreneur has to pursue his case in different offices. In particular, DIC is not able to help in regard to work relating to forest/timber and supply of cement for making of hollow blocks.
6. The DIC is coordinating with DRDA for the implementation of IRDP. On the other hand, the link between DIC and KVIB is very weak.
7. DIC has collaborated with other organisations for seminar, campaign, EDP, etc.

Recommendations

1. For the efficient functioning of DIC, more staff is needed as also the vacant posts of managers need to be filled up. There should be more Industry Promotion Officers, Economic Investigators and Ministerial Staff.
2. As new areas develop, expertise in those field becomes necessary. A new area coming up is processing of food and marine resource. It would be advisable to have an Industry Promotion Officer specialising in this area.
3. Transportation is a quite serious problem in this district. It would be of immense benefit to entrepreneurs if one/two branch offices of DIC are opened in the district.
4. Raw materials is another major problem of the entrepreneurs of this district. If DIC makes bulk purchases of raw materials and distributes them among entrepreneurs it would be of great help.

ARUNACHAL PRADESH**West Kameng**

1. The DIC has three Functional Managers, one in the main office and two working in sub-DICs. There is no Project Manager.
2. There are two Economic Investigators and six Extension Officers.
3. Besides the main office in Bomdila, there are sub-DICs at Tawang and Seppa.
4. SISI has provided EDP support to the DIC.

5. The DIC has been delegated power for sanctioning industrial loan and seed/margin money upto Rs 10,000. However, the power of giving provisional registration is with the DC.
6. While appointment of Grade IV staff is done by the GM, the ministerial staff for the DIC office is provided by the office of DC.
7. The single-window objective has been fulfilled mostly. This has been made possible by the excellent cooperation that DIC has received from banks financial institutions, electricity department, etc.
8. The DIC has received cooperation from APIDFC in regard to financial assistance and supply of raw materials.
9. A good deal of effort has been devoted by DIC towards training. Training has been offered at Bomdila, Kalaktang, Seppa, Tawang and other remote areas in the district. Post-training assistance is provided to enable the ex-trainees set up their own units. The craft Centre at Bomdila gives training in various trades and craft. It also has a production wing which provides employment opportunities. Marketing assistance is provided to entrepreneurs through an emporium in the Craft Centre.
10. Among other activities of the DIC, mentionable are development of sericulture and processing of Russian merino wool.
11. With assistance of HMT, Rural Industrial Development Centre has been set up to provide skill development in engineering trades. In collaboration with Regional Research Laboratory, Jorhat, a mini Lemon Grass Distillation Plant has been set up. A scheme of producing hand-made paper from local resources is under implementation in collaboration with KVIC.

12. The DIC is making a significant contribution in the IRDP/TRYSEM programme.

Recommendations

1. The power of giving provisional registration should be delegated to the GM.

2 Ministerial staff should be given cadre posts within the department.

3. More efforts need to be put on infrastructure development, particularly on building workshops, factory sheds, etc.

4. On various technical matters, the DIC is not getting sufficient information/guidance. Forming a technical cell at the headquarters (under a Deputy Director) would be useful.

5. Lack of awareness and interest among people is found to be a major problem in the implementation of various schemes. There should be greater motivational activity (intensive campaigns, etc.).

NAGALAND

Tuensang

1. The DIC has four Functional Managers, two in the main office and two in sub-divisional offices. There is no Project Manager.

2. There are four Inspectors and two Extension Officers.

3. Besides the main office in Tuensang town, the DIC has two offices at sub-division level.

4. The DIC has received managerial and EDP support from SISI. In some cases, technical guidance has been provided.
5. The power of giving provisional registration for units with investment upto Rs 50,000 (except forest based and scarce raw materials based) has been delegated to DIC. The GM has not been delegated any sanctioning power regarding loans, subsidy, etc.
6. The single-window objective has been achieved only to a limited extent. The main reason for this is inadequate delegation of power.
7. The DIC has received much cooperation from the banks.
8. There is good coordination between DIC and KVIB. A representative of KVIB is posted in the DIC office.
9. The DIC is devoting a good deal of efforts towards training of artisans. It is also providing post-training assistance. There is an emporium of Nagaland Handloom and Handicrafts Development Corporation, through which marketing assistance is provided to entrepreneurs.
10. The DIC has made significant contribution in the IRDP/TRYSEM programme.

Recommendations

1. There is inadequate delegation of power to the DIC. To make the functioning of DIC more effective greater decentralisation in decision making is required.
2. The DIC does not have adequate technical expertise. Keeping in view the need for developing modern industries, there should be a

Project Manager (Mechanical Engineering) in the DIC. Alternatively, a technical cell may be formed in DI office at Kohima which can advise the DIC in technical matters.

3. There is need to strengthen post-sanction monitoring and follow up of the SEEUY and other cases.

4. Many entrepreneurs complain of too much paper work and procedural complexities. This calls for appropriate action (simplifying procedures).

5. Inadequate availability of skilled labour is a major obstacle to the development of modern industries in the district. To develop technical manpower within the district, it would be useful to have an ITI training centre.

PART B**CONCLUDING OBSERVATIONS AND SUGGESTIONS****9.4 THE PERSPECTIVE**

As originally conceived the DIC was to make available all the services and support needed by small scale, tiny and village industries under a single roof. The DIC was also supposed to undertake economic investigation of the potential for the development of the districts including its raw materials and other resources, supply of machinery and equipment, provision of raw materials, effective arrangements for credit facilities, marketing assistance and quality control, research, extension and entrepreneurial training. While setting up the District Industries Centre it was also the intention of the government to also make the DIC the operational mechanism for according sanctions and other facilities for setting up industries in the rural areas and ensuring their continued viable operation by developing close linkages with the Rural Development Blocks, on the one hand, and with the specialised and development institutions on the other. Agencies like the KVIC, Directorate of Handloom and Directorate of Handicrafts which were involved in grass root activities wherever these programmes were functioning or have had an identifiable potential were also supposed to work through the DIC and integrate their activities with the DICs set up.

Since utmost importance was attached to the effective functioning of the DICs, the government decided to make this a centrally sponsored scheme, and accordingly made both recurring and non-recurring grants for the programme. Inter alia, the government had suggested a staffing pattern for the DIC which was subsequently revised. In order to supervise and monitor the functioning of the

DIC, it was also suggested to constitute various advisory committees at the State level, regional level and district level.

In the light of the 20-point programme, the original role assigned to the DICs in regard to the development of small scale, cottage and village industries for the promotion of rural employment was reviewed and the scope widened. Accordingly, the DICs are now supposed to develop constructive linkages with such agencies as are responsible for various employment oriented programmes without, in any way, mitigating the role or functions of different agencies. The underlying idea behind this concept is to promote coordinated effort at the grass-root level for increased promotion of employment and elimination of poverty through the growth of rural industries. In this context it may be appropriate to cite the examples of IRDP and TRYSEM programmes wherein, according to the guidelines, the DIC would act as the technical arm of the District Rural Development Agencies (DRDA) administering these programmes. While the responsibility for the identification of the eligible rural poor to be benefited under the IRDP would rest entirely with a DRDA, the DIC would be responsible for identification of appropriate industrial opportunities related to specific families for specific locations. Similarly, the DIC would assist the DRDA in identifying suitable training centres, including the content of the training programmes. Also, from time to time, the DIC would also help KVIB in matters relating to technology advice, training design, project consultancy and resolving problems in relation to credit and other inputs and information relating to marketing. In order to foster close linkages between various agencies with the DIC, a system of including a representative of DIC on various agencies to serve as members of the District Advisory Committee of the DICs has been in operation.

It is in the context of these objectives that the present evaluation has been carried out, of eleven sample DICs in nine

States of the north-eastern region of India. Except for the two districts of West Bengal, namely, Burdwan and Midnapur, all other nine sample districts belong to Category 'A', i.e., to the category of those districts which did not have any large or medium scale industry as per the DICs action plan (1979-80) and are hilly, remote and inaccessible districts. Therefore, in assessing the working of the DIC in this region, we must keep in mind the fact that most of these sample districts are either 'no industry' districts or 'special region' districts which are hilly, remote and have difficult accessibility. These districts are not only industrially deficient, but also they are educationally and technically not as advanced as most other districts in the country. Most of these sample districts in the region have not been exposed to any industrial civilisation. They suffer from lack of adequate network of roads, transport facilities, power supply and skilled manpower. These shortages lead to a number of problems including making industrial inputs expensive, consequently raising the prices of finished products and making them less competitive. Therefore, in assessing the performance of the sample DICs, it would be appropriate to keep in mind the existing economic environment in the north-eastern States.

9.5 SOME GENERAL OBSERVATIONS

Before we outline the main observations with regard to the functioning of the DICs, we may mention that most existing and potential entrepreneurs not only despise paper work, but perhaps attitudinally, they are not tuned to elaborate bureaucratic procedures. This underlines the need for simplifying procedures to the extent that it can be done. Also, because of the fact that these districts are not easily accessible, the possibility of attracting skilled manpower and entrepreneurs from outside these Districts/States to participate in the development process of these districts is quite remote. The DICs thus have an added

responsibility of creating local entrepreneurship and imparting suitable skills to local population. This indeed is a challenge to the DICs in this difficult region.

At the outset we would like to state that, most sample DICs studied by us are contributing not only in creating an awareness among the local population about the need for promoting industries in the region, but also towards the industrial development of the respective districts, although with varying levels of success. It is also our conviction that, the very existence of a DIC in the district has created an environment which is highly congenial for promoting the industrial development of the district. It is, of course, a different matter as to the extent of success achieved by the DIC programme, in industrialising the district through its own operations. Another major achievement of most of these DICs has been the successful handling of the SEEU scheme. Although it is difficult to say to what extent the DICs have contributed towards the creation of additional incomes and employment, our study of the sample units has clearly shown that, between the time of setting up of the units and as of now, gross output, incomes and employment have all, on the average, substantially increased. Another distinguishing feature of most sample units in this region is the dominance of family members acting as managers. Tripura is the only district where the share of hired managerial staff is large. On the negative side one may mention that there is limited or little success so far as the one roof concept is concerned. Indeed it has raised undue expectations. Lack of adequate cooperation from the banks and other input providing agencies are mentioned as some of the reasons for the limited success of one roof concept. With regard to the banks we may mention that the DIC office in most cases forward the proposals to the banks with routine recommendation without properly analysing and vetting the schemes. With regard to the land input, DIC officials feel helpless as they hardly have any control over the allotment of land to the units. Similarly,

coordination with agencies providing electric power is found to be less than satisfactory. Also, there is very little that the DIC's or electricity boards could do to reduce frequent power failures. One suggestion made by the entrepreneur relates to encouraging the use of power generating sets. Indeed, in Aizwal, we found many units having their own power generating sets. This is important in these regions since most labour has to be employed on a regular basis and provided with some accommodation in and around the factory shed - and any stoppage of work would result in keeping the hired labour idle. Clearly no entrepreneur can afford this. Another area in which some action is needed relates to project profiles which are either old or non-existent. Further, whenever new project profiles were prepared, they remained in the cold storage, much to the frustration of project managers. The entrepreneurs also find existing procedures cumbersome, as also time consuming. While it is difficult to dispense with some of the paper work and other bureaucratic procedures, there is clearly a need for streamlining and simplifying the procedures. Also a way needs to be found to indicate to the entrepreneurs about the likely time needed in clearing up various kinds of assistance. The DICs feel that part of the reason for the delay lies in the fact that they are generally inadequately staffed compared to the work that they perform. Also, many times they are entrusted with additional schemes. In regard to the linkages with other agencies, it is observed that they are generally weak. This is particularly true of the linkage with the KVIBs. So far as the perception of the entrepreneurs is concerned, we found that most entrepreneurs regard their enterprises as healthy. Also, during the project implementation the attitude of the DIC officials, with the exception of Burdwan, Nagaon, Aizwal, Jorthang, Tuensang and West Kameng, is reported to be helpful. Again, most entrepreneurs find that the time taken for providing various kind of assistance during the project implementation is generally reasonable. Some entrepreneurs feel that the DICs favour larger units. So far as overall profile of the DIC officials in

terms of their knowledge, attitude and integrity is concerned it is reported to be close to average.

9.6 SOME SUGGESTIONS

From what we have said above there are certain measures which, in our judgement, are essentially to improve the functioning of the DICs. These may be summarised as:

1. The filling up of various posts of Functional Manager, Project Manager, etc., which are lying vacant.
2. The DICs need to be provided with some additional supporting technical staff for assisting the project managers.
3. To relieve the General Manager from much of the routine work, a post of Accounts/Administrative Officer be created.
4. Since it may not be possible to significantly reduce the paper work at the DIC, some additional staff at the clerical level be provided.
5. The posting of the Extension Officers (Industries) may be brought within the jurisdiction of the General Manager to enable him to deploy the Extension Officer at suitable places to monitor work of the DICs. This will improve the functioning of the DIC at the grass root level.
6. The scope of the power of GM needs to be widened by empowering the GM to allot sheds in the industrial estates. Also greater delegation of powers to DIC with regard to sanctioning of loans and grant of subsidies and incentives is likely to make DIC more effective.
7. The existing practice of entrusting additional schemes and programmes to the DIC office should be discouraged, in order to enable them to concentrate on their work relating to promotion and development of industries.
8. Apart from sending DIC staff for training, the DIC officials should be encouraged to undertake visits to some of the DICs which have performed well in one area or the other.
9. The existing procedures need to be streamlined and paper work reduced to the extent possible. Also a time schedule must be prepared, to indicate the likely time which the DIC office

and other agencies would take in, providing various types of help/assistance.

10. There is a considerable scope for improving the relationship between banks and the DIC office. First, before forwarding any scheme to the banks the DIC office should ensure that the scheme has been properly analysed. This will not only enhance the credibility of the DIC office, but would also reduce the magnitude of work at bank level. Secondly, the DIC should, as a practice, participate with the banks in the loan recovery campaigns.
11. There is a need to set up raw materials depots at convenient points in the DIC. Indeed, one of the managers can be designated to look after the work relating to the distribution of raw materials.
12. In many of the north-eastern districts many existing potential entrepreneurs reported that what they lacked most is the ideas in regard to viable technical schemes. The DIC can contribute substantially to the development of this region, by undertaking studies in regard to the areas in which viable projects can be set up. In preparing these schemes the DIC office should take into account the specific characteristics of the region, availability of various inputs including power and the size of the market. In this context, the DIC should also make serious efforts not only to regularly update the existing project profiles, but also keep a shelf of new project profiles for the benefit of the entrepreneurs.
13. In order to improve the information system, which is inadequate at the moment, and in a situation where the DIC and other IPO's do not know what the other agency is doing, it is suggested that:
 - a. There should be a data bank at the DC (SSI) level, on which DIC should be able to draw upon as and when the need arises.
 - b. There should be a data bank at the district level which will provide information in regard to bank branches, raw material availability, etc., and
 - c. The information system between various organisations within the district needs to be improved substantially.
14. Since the link between KVIB and DIC is generally very weak, there is a clear need for greater initiative from both the agencies to develop greater linkages. It is also necessary to clearly specify the linkages and modalities of

coordination between various agencies (e.g., with agencies dealing with Khadi, Handlooms, Handicrafts and Village Industries).

15. With regard to the one roof concept, it would be helpful not to give too much publicity to this idea as it tends to unduly raise the expectation of entrepreneurs. Also, now it is abundantly clear that the DIC is not in a position to provide everything to the entrepreneur, so it is necessary to evolve a practical way to find an alternative to the existing concept of one roof. The fact is that the district administration is very complex and that there are several actors participating in the establishment/running of an enterprise, so it is somewhat wishful to claim that every single approval/sanction could be given by one agency, namely, the DIC. What one can at best suggest, is to clearly redelineate the areas in which DIC will play the decision making role and the areas in which it will have only a recommendatory role. Some problems would however still continue. Specifically one way to tackle this problem is to constitute a standing committee of the representatives of various input providing agencies with the GM (DIC) or his representative on the committee. This committee should, in our judgement, be headed by the additional district magistrate or an equally senior district official nominated by the DC/DM. While DC/DM is generally a head of all such committees, we believe that, in view of his numerous duties, it would be best to spare him from this task. The representatives on this committee should be such as would have adequate decision making powers delegated from their respective departments to enable them to take spot decisions in the meetings of these standing committees. These committees should as a practice meet at regular intervals of, say once or twice a month, depending, of course, upon the quantum of work.

9.7 CONCLUDING REMARKS

Most sample DIC's in our judgement need to be streamlined, vacant posts in the DIC office filled, and some additional posts provided, especially that of Accounts/Administrative Officer to improve the functioning of the DICs. Greater delegation of power to DICs has generally been associated with better performance and this calls for greater delegation of powers to DIC's in respect of sanctioning of loans, grant of subsidies and allotment of lands. Also its role in regard to distribution of raw materials should be

strengthened. DIC's on their part have to be more responsible especially with regard to forwarding proposals merely with routine recommendation to Banks without adequate analysis and vetting. This is particularly desirable in view of the fact that the work load in the banks has increased enormously because of SEEU scheme. To improve the functioning at the grass root level, opening of branch offices, along with DIC's jurisdiction over posting of extension staff, is suggested. The seed/margin money has gone a long way in helping the entrepreneurs, and indeed in this absence many units may not have come up at all. In regard to linkages with other agencies, it is necessary to specify in clear terms the modalities of coordination between various agencies. Also in view of the complexity of district administration and the role of several agencies in establishing/running enterprises, it is imperative to recognise the impracticability of the one roof concept where all the approvals/sanctions can be provided either by single agency or under one roof. What is necessary, is to define the precise areas in which the DIC can take decisions, and the areas in which its role will be recommendatory. This is likely to mitigate some of the avoidable criticism of the DIC programme. Also the formation of a standing committee, with representatives of various agencies having decision making powers will, to some extent, help towards achieving the underlying objective of one roof concept. We also need to improve the information system, especially in view of the fact that several agencies operate in a district with almost identical objectives and programmes. Finally, almost all sample DIC's, with the exception of those in West Bengal and Assam, are in need of new ideas and new schemes, and perhaps here the DICs can play a crucial role in making available a shelf of viable projects for existing and potential entrepreneurs.

As we have already said, most DIC's in our sample are Category A districts with very little industrial development, so it is difficult to rank these DICs. However in our judgement, taking

into account the perception of the entrepreneurs and our own perception, we believe Burdwan as doing rather well. Aizwal is another district which is worth a visit where there are a large number of potential women entrepreneurs.

We will like to conclude by emphasizing the fact that the inherent differences in economic, social and cultural environment of the north-eastern region with the rest of the country calls for a close scrutiny of existing pattern of assistance and organisational set up, and the devising of an entirely different strategy.

First, given the smallness of operations and dearth of technical and managerial skills, it seems both wasteful and counter-productive to have too many organisations and agencies with almost identical establishment and operating in more or less related or overlapping areas. In this context, mention may be made of numerous agencies dealing with various poverty alleviation and employment generation programmes. The efficient working of each organisation requires a certain minimum establishment and staff. However, given the magnitude of work which each of these agencies has, it may not be prudent for these organisations to have an independent set up. And, indeed, even within an organisation there is tremendous scope for rationalisation of structure. Here a word about the DIC set up. Under the existing structure, each DIC will have a number of Project Managers (upto a maximum of three in each DIC). Clearly, in States like Nagaland and Arunachal Pradesh not only is there little need to have a Project Manager for each DIC separately, it is also difficult to find persons with appropriate qualifications and experience for the post of Project Managers. Instead it is more prudent to pool the resources and set up a technical cell at the state level. This cell will, among other things, be entrusted with the work of identifying appropriate activities (keeping in mind the availability of resources and the extent of market) for being initiated in different districts. It will also prepare new project

profiles for the purpose, conduct training courses and monitor the working of various DIC's in the respective districts. At the district level, we propose the appointment of persons at the Inspector's level. These persons will mainly be concerned with the extension and promotion work. We hope such a step will not only make an optimal use of the available technical skills, but would at the same time contribute to lessening of frustrations among the project managers who find promotions difficult. It would also give them greater job satisfaction - as each project manager can concentrate in his main area of specialisation, unlike the existing situation, where a project manager may have to work in technical areas which have no bearing whatsoever with his past training and experience.

Similarly, we propose the setting up of a Human Resource Development Cell at the State level. The cell will be concerned with training and managerial aspects.

A word about following identical pattern of assistance in all the states of the country. In this context, we would like to cite the norms for replacement of DIC vehicles. Unlike in the plains where the life of vehicle is much longer when compared to those in the rugged and difficult areas of the north-eastern region, we believe there is a clear case for some kind of flexibility in evolving such norms.

Finally, we should not ignore the cultural context. Some of the states have strong village communities. In such situations instead of encouraging individual enterprises, we can organise industries at the community or village level with common interest. Such cooperativisation will not only ensure the economic viability of project but would also facilitate the adoption of a particular project by the community.